



ST CHRISTOPHER AND NEVIS

CHAPTER 20.02

CONSUMPTION TAX ACT

and Subsidiary Legislation

Revised Edition

showing the law as at 31 December 2009

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Cap. 1.03

This edition contains a consolidation of the following laws:

Consumption Tax Act

Act 5 of 1974 in force 21st January, 1974

Amended by Act 7 of 1992

Act 6 of 1997

Act 18 of 1998

Act 6 of 2008

Regulations

Consumption Tax Order SRO 19/1976 in force 30th April, 1976

Amended by SRO 50/1978

SRO 5/1979

SRO 7/1980
SRO 38/1980
SRO 34/1982
SRO 20/1984
SRO 5/1997
SRO 12/1997
SRO 11/2008

CHAPTER 20.02
CONSUMPTION TAX ACT

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CHAPTER 20.02

CONSUMPTION TAX ACT

AN ACT to provide for the imposition of a consumption tax on goods imported into the State or manufactured in the State and in respect of the supply of certain services, and to provide for the collection and enforcement of such tax; and to provide for related or incidental matters.

1. Short title.

This Act may be cited as the Consumption Tax Act.

2. Interpretation.

In this Act, unless the context otherwise requires,

“chargeable goods” means the goods chargeable with tax specified in the First Schedule or such other goods as may from time to time be prescribed by Order of the Minister made under section 4;

“chargeable services” means the services provided in the State specified in the First Schedule in respect of which tax is chargeable under this Act or such other services as may from time to time be prescribed by Order of the Minister made under section 4;

“Comptroller”, in relation to consumption tax on goods imported or manufactured, means the Comptroller of Customs, and in relation to consumption tax in respect of services, means the Comptroller of Inland Revenue;

“goods” include all kinds of goods, wares, merchandise and all other kinds of personal or moveable property, other than money;

“Minister” means the Minister charged with responsibility for the subject of trade;

“month” means calendar month;

“proper officer” means any officer whose right or duty it may be to exact the performance of or to perform the act referred to;

“section” means a section of this Act;

“State” means the State of Saint Christopher and Nevis;

“tax” or “consumption tax” means consumption tax chargeable by virtue of this Act;

“taxable person” means a person who supplies or provides a chargeable service.

3. Consumption tax.

(1) Notwithstanding anything to the contrary in any other law, and subject to the provisions of this Act, there shall be raised, levied and paid into the Consolidated Fund for the use of the Government of the State a tax to be known as consumption tax to be charged in respect of

- (a) if goods are imported into the State be the aggregate of,
 - (i) the value of the goods as determined under the Customs Tariff Act, Cap. 20.06; and
 - (ii) the amount of any customs duty payable pursuant to that Act in respect of those goods.

[Substituted by Act 6/1997]

- (b) the importation of chargeable goods into the State; and
- (c) the manufacture of chargeable goods in the State.

(2) Subject to the provisions of this Act, such tax when imposed upon goods as hereinafter provided shall be collected and enforced as if,

- (a) where the goods are imported into the State, the tax were an import duty of customs imposed upon such goods under the Customs Tariff Act, Cap. 20.06; and
- (b) where the goods are manufactured in the State, the tax were an excise duty imposed upon such goods under the Excise Duty Act, Cap. 20.11;

and for the purposes of this Act, the provisions of the Customs Tariff Act, and the Excise Duty Act and any regulations made thereunder shall, with such adaptations and modifications as may be prescribed by or under this Act, have effect *mutatis mutandis* in relation to such goods, whether such goods are liable to customs duty or excise duty or not.

(3) Where such tax is chargeable on any goods by reference to their value that value shall,

- (a) if the goods are imported into the State, be the value of the goods as determined under the Customs Tariff Act;
- (b) if the goods are manufactured in the State, be the manufacturer's sale price as defined in the Third Schedule to this Act.

(4) Tax shall be charged in respect of chargeable services only where such services are provided by a taxable person in the course of business carried on by him or her; and such tax shall be a percentage of the turnover of the business done by that person who shall account for and pay the tax within fifteen days after the end of each month.

(5) Subject to the provisions of this Act, tax when imposed upon services as hereinafter provided shall be collected and enforced as a tax due from the person chargeable in respect thereof and for this purpose the provisions of the sections 70 to 76 of the Income Tax Act, Cap. 20.22 shall, with such exceptions, adaptations and modifications as may be prescribed by or under this Act, have effect *mutatis mutandis* in relation to any person refusing or neglecting to pay tax due from him or her.

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4. Power of Minister to impose consumption tax.

(1) The tax on goods and services shall be regulated from time to time by the Minister of Finance by Order published in the *Gazette* and any such Order may continue, vary or replace a previous Order or may reduce, increase, alter or revoke any such tax and may provide for exemptions therefrom.

(2) Every Order made under subsection (1) of this section shall, within twenty-one days from the date of its first publication, be laid before the National Assembly, and the National Assembly may, by Resolution, confirm, amend or revoke such Order but without prejudice to the validity of anything previously done under it:

Provided further that until varied or revoked by an Order made under this section the rates of tax specified in the First Schedule to this Act shall be charged.

(3) The goods specified in the Second Schedule to this Act shall be exempt from tax but the Minister may, by Order made under this section, vary that Schedule by adding to or deleting from it any description of goods or services for the time being specified in it.

5. Offset.

Where tax is chargeable on goods manufactured for use or consumption in the State and also upon the constituents or components of those goods the tax payable upon the constituents or components may be offset *pro rata* against the tax payable on the goods.

6. Late payment of tax.

Regulations made under section 20 may prescribe penalties for late payment of the tax.

7. Power to Minister to remit tax.

The Minister may, upon application made by the person who has paid or is liable for the payment of any tax under this Act, waive, remit or refund in whole or in part any such tax.

8. Recovery of tax.

Tax due from any person shall be recoverable as a debt due to the Government of the State.

9. Refund of tax overpaid.

The Comptroller shall refund any money which has been overpaid as tax at any time within two years after such over-payment has been made.

10. Forms.

(1) Subject to the provisions of this Act and any Regulations made under the Act, the Minister may, from time to time, prescribe forms to be used for the purposes of this Act and such forms when used for the purposes of this Act shall be completed in such manner as may be prescribed, and shall contain the particulars required or indicated therein.

(2) Until superseded by a form prescribed under this Act, any form used for the purposes of the Customs Tariff Act, Cap. 20.06 or the Excise Duty Act, Cap. 20.11 which is considered to be appropriate by the Comptroller may be used for the purposes of this Act.

11. Books of account.

Every taxable person carrying on business which supplies or provides chargeable services who is or may be required by this Act to pay a tax shall keep proper books of account as are necessary for such person to prepare returns to the Comptroller and to determine the tax payable.

[Inserted by Act 7/1992]

12. Separate record of every transaction.

Every taxable person carrying on a business in which a chargeable service is supplied or provided shall make separate record of every transaction made in the course of that business.

[Inserted by Act 7/1992]

13. Failure to keep records.

Where a taxable person fails to keep adequate records or books of account for the purposes of this Act, the Comptroller may require him or her to keep such records and books of account as he or she may specify and that person shall thereafter keep records and books of account as so required.

[Inserted by Act 7/1992]

14. Written permission for disposal of record, etc.

Every taxable person required to keep records and books of account shall retain every such record or book of account and every account, voucher or other record necessary to verify the tax payable under this Act until written permission for their disposal is granted by the Comptroller.

[Inserted by Act 7/1992]

15. Authorised person may enter place.

A person authorised by the Comptroller may, for any purpose related to the administration or enforcement of this Act, at any reasonable time, on the production of his or her letter of authorisation enter any premises or place where any business is carried on in the supply or provision of chargeable services or any property is kept or anything is done with any such business or any books or records are kept or should be kept pursuant to this Act and

- (a) audit or examine the books and records and any account, voucher, letter, telegram or other document which relates or may relate to the information that is or should be in the books or records or to the amount of tax payable under this Act;
- (b) require the owner or manager of the taxable business and any employee on the premises or place to give him or her all reasonable

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assistance with his or her audit or examination either orally or in writing and for that purpose require the owner or manager to attend at the premises or place with him or her.

[Inserted by Act 7/1992]

16. Comptroller may require information.

The Comptroller may, for any purpose related to the administration or enforcement of this Act, by registered letter or demand served personally, require from any person

- (a) any information or additional information in the form of a return of income or a return of information or otherwise; and
- (b) production or production on oath of any books, letters, accounts, statements or other documents;

within such reasonable time as may be stipulated therein.

[Inserted by Act 7/1992]

17. Comptroller may require evidence on oath.

The Comptroller may, for any purpose related to the administration or enforcement of this Act by not less than seven days notice in writing, require any person to attend before him or her and give evidence on oath and to produce on oath all books, letters, accounts, invoices, statements or other documents in his or her possession or control.

18. Comptroller may authorise person to enter.

The Comptroller may, for any purpose related to the administration or enforcement of this Act, authorise any person to enter, at all reasonable times, any premises or place at which chargeable services are supplied or provided for ascertaining whether the provisions of this Act are being or have been complied with.

[Inserted by Act 7/1992].

[Note: Sections 11 to 18 were originally inserted in as sections 10A, 10B, 10C, 10D, 10E, 10F, 10G and 10H, respectively. Consequently sections 11 and 12 have been renumbered accordingly.]

19. Acts deemed to be properly done.

(1) Every act, matter or thing required by this Act to be done or performed by, or before,

- (a) the Comptroller;
- (b) any particular officer nominated for such purpose;

if done or performed by, or before, any officer assigned by the Comptroller for such purpose or any person appointed by the Comptroller to act for such particular officer, as the case may be, shall be deemed to be done or performed by, or before the Comptroller or such particular officer, as the case may be.

(2) Every person employed on any duty or service relating to this Act by the order or with the concurrence of the Comptroller (whether previously or subsequently expressed) shall be deemed to be the officer for that duty or service.

20. Regulations.

(1) The Minister may make regulations for the better carrying out of this Act and for preventing frauds on the revenue by the concealment or removal of goods liable to consumption tax or by the failure to make a return relating to turnover and may in such regulations provide for anything which by this Act is required to be authorised or prescribed, and all such regulations shall be published in the *Gazette* and shall when in force have the same effect to all intents and purposes as if they had been contained in this Act.

(2) Notwithstanding the provisions of section 21 of the Interpretation Act, Cap. 1.02 regulations made under this section may prescribe greater penalties than those specified in section 21 of the Interpretation Act, Cap. 1.02 so, however, that the maximum penalty that may be imposed by such regulations shall be a fine of five thousand dollars or imprisonment for a term of two years.

[Amended by Act 18/1998]

(3) All regulations made under this section shall be subject to approval by Resolution of the National Assembly.

21. Penalty.

Every person who contravenes or fails to comply with the provisions of this Act commits an offence and is liable, on summary conviction, to a fine of two thousand dollars or to imprisonment for a term of six months or to both.

[Inserted by Act 7/1992 as section 13A]

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(Sections 2 and 4)

Section A. Beverages and Spirits

Chargeable goods	Chargeable unit	Rates of Tax payable per chargeable unit
		\$ ¢
Rum of a strength not exceeding the strength of proof	one liquid gallon	6.00
Rum of a strength exceeding the strength of proof	one proof gallon	6.00
Brandy	one liquid gallon	11.00
Whisky	one liquid gallon	11.00
Gin	one liquid gallon	16.00
Vodka	one liquid gallon	16.00
Other spirituous liquors	one liquid gallon	40.00
Perry and mead and other fermented beverages not elsewhere specified	one liquid gallon	4.00
Wine (sparkling)	one liquid gallon	10.00
Wine (still)	one liquid gallon	4.00
Vermouth and other flavoured wine	one liquid gallon	1.00
Stout and porter	one liquid gallon	1.20
Cider	one liquid gallon	1.20
Malt and other non-alcoholic beverages	one liquid gallon	.80
Beer and ale made from malt		
(a) in the State	one liquid gallon	.75
(b) in a Caricom Country other than the State	one liquid gallon	.75
(c) elsewhere	one liquid gallon	1.00

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Chargeable goods	Chargeable unit	Rates of Tax payable per chargeable unit
Aerated waters	bottle or other containers (up to 12 ounces)	20%
	bottle or other containers (more than 12 ounces)	15%

*[Section B inserted by SRO 34/1982]***Section C - Tobacco**

Chargeable goods	Chargeable unit	Rates of Tax payable per chargeable unit
		\$ ¢
Unmanufactured tobacco and tobacco refuse	one pound	4.00
Cigarettes	one pound	8.00
Cigars and cheroots pipe tobacco, other manufactured tobacco and snuff	one pound	8.00

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Section D - Miscellaneous Goods

Chargeable Goods	Chargeable Unit	Rate of Tax Payable Per Chargeable Unit
Cement, Concrete or Masonry Blocks	CIF + Import Duty	7 ½%
Clothing	CIF + Import Duty	19 ½%
Rice <u>NOT</u> in bulk, that is imported in sacks or bags or other containers of less than fifty pounds	CIF + Import Duty	7 ½%
Cornmeal and flour imported in sacks or bags or otherwise of <u>NOT</u> less than fifty pounds content	CIF + Import Duty	2 ½%
Cornmeal and flour imported in sacks or bags or otherwise of <u>LESS THAN</u> fifty Pounds content	CIF + Import Duty	15%
Chicken Parts, except breasts, and edible Offals of Chicken	CIF + Import Duty	0%
Other Meat and Other Edible Offals of Poultry	CIF + Import Duty	15%
Canned Corned Beef	CIF+ Import Duty	0%
Margarine	CIF+ Import Duty	0%
Tomato Ketchup	CIF + Import Duty	0%
Canned Tuna	CIF + Import Duty	0%
Vegetable Oil of Heading No. 15.07	CIF + Import Duty	0%
Sardines	CIF + Import Duty	0%
Canned Vienna Sausages	CIF + Import Duty	0%
Processed Cheese	CIF + Import Duty	0%
Macaroni, Spaghetti, Macaroni and Cheese Dinner	CIF + Import Duty	0%
Baby Foods of Heading Nos 19.01 and 21.06	CIF + Import Duty	0%

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Meat and Edible Offals of Bovine Animals	CIF + Import Duty	10%
Meat and Edible Offals of Sheep and Lamb (Mutton, Lamb)	CIF + Import Duty	10%
Pigs Feet, Ears, Tails, Snout and Other Edible Offals of Swine	CIF + Import Duty	10%
Meat of Swine	CIF + Import Duty	15%
Other Fish and Fish Preparations	CIF + Import Duty	10%
Goods of Chapter 15	CIF + Import Duty	20%
Milk of Heading Nos. 04.01 and 04.02	CIF + Import Duty	15%
Baby Beverages of Heading No. 20.09	CIF + Import Duty	15%
Sugar of Heading Nos. 17.01, 17.02 and 29.40	CIF + Import Duty	20%
Salt of Heading 25.01	CIF + Import Duty	20%
Goods of Chapter 16 not elsewhere specified or included	CIF + Import Duty	20%
Pharmaceutical Products of Chapter 30	CIF + Import Duty	20%
Goods of Chapter 07 and 08	CIF + Import Duty	20%
Exercise Books	CIF + Import Duty	10%
Diapers	CIF + Import ?Duty	0%
All other Imported and Manufactured Goods NOT here-in above enumerated And not in the Second Schedule	CIF + Import Duty	22 ½%

[Amended by SRO 11 of 2008]

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Section E. Miscellaneous Goods

Chargeable goods	Basis of charge	Rate of Tax per centum
Cement, concrete or masonry blocks	ad valorem	7½
Furniture and parts thereof	„	15
Clothing (manufactured)	„	
(a) in the State	„	7½
(b) in a Caricom Country other than the State	„	7½
(c) elsewhere	„	12
Rice not in bulk, that is imported in sacks or bags or other containers of less than fifty pounds	„	7½
Cornmeal and flour imported in sacks or bags or otherwise of not less than fifty pounds content	„	2½
Chicken backs and necks	„	5
Beef	„	10
Meat of sheep or lamb (mutton, lamb)	„	10
Fish and fish preparations	„	10
Pigs feet	„	5
All other imported and manufactured goods not herein-above enumerated and not in the Second Schedule	„	15

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Chargeable Services	Taxable persons	Percentage of turnover to be paid by each person carrying on business in respect of each prescribed accounting period
Medical services	Medical doctor, chemists and druggists, optometrists, ophthalmologists, dentists	4
Legal services	lawyers – barristers and solicitors	4
Architectural and survey services	Architects surveyors draftsmen	4
Consultancy	Consultants	4
Veterinary services	veterinary surgeons	4
Engineering services	engineers	4
Accountancy	Accountants (public) Accountants (certified or chartered)	4
Construction	Construction contractors	4
Insurance	All companies carrying on business of insurance	4

*[Amended by SRO 5/1997]***SECOND SCHEDULE**

(Section 4(3))

List of Goods exempt from Consumption Tax

Materials imported for specific projects connected with the industrial or economic development of the State approved by the Minister of Trade and Development

Goods imported for temporary use or purpose approved by the Comptroller where the goods are exported within twelve months from the date of delivery thereof from a customs area or warehouse

Sugar and molasses manufactured in the State from sugar cane grown in the State

Bread

Sugar cane, cotton and all agricultural products grown in the State

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Live or freshly killed fish, animals, or poultry, not iced, frozen, refrigerated, salted or otherwise preserved and not imported as pets, and excluding asses, horses and mules

Rice imported in bulk, that is in sacks and bags of not less than 50 pounds contents

Illuminating kerosine

Animal and poultry feeding stuffs, other than pet foods

Eggs

Fire-fighting apparatus

Ice

Machinery which the Comptroller of Customs is satisfied is imported for use for Agricultural purposes

Fertilisers, manures, insecticides, fungicides, weed killers, vermin killers, and substances for use as remedies for diseases of, or preventives of insect attacks upon, plants and animals

Clothing patterns

Plants, seeds and bulbs

All goods listed in the Third Schedule to the Customs Tariff Act, Cap. 20.06.

SPORTS GOODS AND EQUIPMENT

CRICKET

Bats

Pads – including thigh and chest pads

Balls

Gloves – batting and wicket-keeping

Inners – batting and wicket-keeping

Protective cups

Nets

Trousers and shirts – flannels

Protective helmets

Boots with spikes

Bags

Stumps and bails

[Inserted by SRO 20/1984]

TENNIS – LAWN & TABLE

Rackets

Balls

Nets

Tables

[Inserted by SRO 20/1984]

TRACK AND FIELD

Track shoes – with spikes

[Inserted by SRO 20/1984]

GOLF

Clubs
Bags
Shoes with spikes

[Inserted by SRO 20/1984]

FOOTBALL

Balls
Nets
Jerseys and pants
Boots
Shin guards

[Inserted by SRO 20/1984]

NETBALL

Balls
Nets

[Inserted by SRO 20/1984]

BASKETBALL

Balls
Nets

[Inserted by SRO 20/1984]

VOLLEYBALL

Balls
Nets

[Inserted by SRO 20/1984]

“Personal Computers” including

Case (also called the frame)
Motherboard (also called the mainboard)
Processor (also called the CPU) chip
Memory chips
Mass Storage Memory (Hard Disk Drive)
Floppy Disk Drives (3.5” &/or 5.25”)
Video Graphics Adapters
I/O Controllers (IDE, SCSI, MFM, PCI)
Network Cards/Adapters
Fax/Modem Cards Adapters (Internal)
Fax/Modem Cards (External)
Sound Cards/Adapters
CD-ROM Drives (Internal/External)
Tape Drives (Internal/External)
Magnetoptical Drives (Internal/External)
Floptical Drives (Internal/External)
Keyboard

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Mice
Scanners
Monitor
Printers
Plotters
Computer software
Floppy Disks
Magnetic Tapes
CD-ROMS

[Inserted by SRO 12/1997]

THIRD SCHEDULE

(Section 3)

Determination of Value

For the purpose of computing the price which goods to be valued would fetch on such sale as is mentioned in paragraph (b) of subsection (3) of section 3 of this Act, the following provisions shall have effect:

- (a) where the manufacturer sells by retail to a consumer the manufacturer's sale price shall be determined by deducting from the retail price the margin allowed by the Price Control Authority, if the goods are subject to price control, and in other cases by deducting 20 per cent from the retail price;
- (b) where the manufacturer sells wholesale to a retailer the manufacturer's sale price shall be determined by deducting from the wholesale price the margin allowed by the Price Control Authority if the goods are subject to price control and in other cases by deducting nine per cent from the wholesale price;
- (c) the amount of any import or excise duty payable pursuant to any law in respect of the goods shall be excluded.