



Guyana's **TAX GUIDE**

Article Courtesy of:

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TAXATION IN GUYANA

All business organizations in Guyana excluding those that are benefitting from tax-related investment incentives are liable to taxation. Taxes in Guyana are also categorized as direct and indirect. Direct taxes constitute taxes that are paid by the individual or organization to the imposing entity, and as such, incorporate income tax and corporation tax. On the other hand, Indirect tax which includes property tax, capital gains, consumption tax, etcetera are levied on the supplier of goods and services and is paid by the consumer indirectly.

DIRECT TAX

Corporation tax

Corporate tax in Guyana has two disparate rates, and this depends on whether the company is a commercial or a non-commercial one. A commercial company according to Guyana's constitution, "means a company in which 75% or more of the gross income is derived from trading in goods not manufactured by it, and it includes telecommunication companies, insurance agencies, banks, inter alia." The following table will illustrate the tax rate for corporations.

Tax Type	CORPORATE TAX RATE
Commercial companies	40%
Non-commercial companies	30%
Telecommunication Companies	45%

INCOME TAX

The Income Tax Act delineates income as the gains or profits from any office or employment, including compensation for the termination of any contract of employment. This Act was passed in order to encourage the establishment or development of certain industries in Guyana including the working of any mine (other than a gold or diamond mine). In addition income tax in Guyana is levied on Payroll (PAYE), Self-employed individuals, Partnerships and contract workers which are all taxed at a rate of 30%.

INDIRECT TAX

Property Tax

Property Tax is an annual tax charged on the net property which any person, including an individual and a company owns at the end of each year. Both individuals and companies pay wealth tax, however they are taxed at a different rate. Effective since January 2013, the first GYD1 for companies is 500,000 is exempted. The following GYD is 5,000,000 is taxed at 0.5% and the remainder is at 0.75%. In addition, the property tax rate for individuals is 0% for the first forty million dollars (G\$40,000,000) of net property, and three quarter percent for every dollar of the remainder of net property for a person other than a company.

Capital Gains

Capital gains which constitutes profits ascertained from the sale of property or an investment is taxed at 20%, and is paid on the gain on disposal of an asset. This rate is the same for companies, and assets that are held for more than 25 years are exempt from CGT.

Value added Tax

In principle, VAT applies to the consumption of goods and services. VAT is evaluated and collected on the value of goods or services that have been provided every time there is a transaction (sale/purchase). The tax imposed is 16%, some are zero-rated and others are exempted.

Withholding Tax

Persons who are residing in Guyana for less than 183 days are referred to Non- resident contractors. They are generally subjected to the deduction of withholding tax on Gross payments made to them by the resident contractee which is 20%.

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Double Taxation

Double taxation in Guyana is in accordance with the double taxation Relief Order made in Canada, United Kingdom and Caricom.

Payment	Canada	United Kingdom	Caricom
Royalty	10%	10%	15%
Management Fees	10%	10%	15%
Technical/Professional	10%	10%	15%
Interest	15%	15%	15%
Dividend	15%	10% (of the gross amount of the dividends if the beneficial owner is a company which controls 10% of the voting power in the company paying the dividends.) 15% (In other circumstances).	0%

OTHER TAXES

Tax type	Rates
Travel voucher Tax (paid by Airlines)	15%
Travel Ticket tax (paid by passengers)	\$2500
Premium Tax (insurance payment for Foreign companies)	6% (located in the country) 10% (not located in the country)
Withholding Tax	2%
Tributors	10%

International Tax: Guyana highlight 2018





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