

INSTRUCTIONS FOR COMPLETION OF VAT RETURN

Vat Collected

Box 1 Put total sales (include zero-rated and exempt sales for the quarter including VAT collected. You should also include the VAT inclusive amount of sales made to the Government; although the Government has withheld the VAT you will cancel this out in Box 13 below.

Box 2 Put total zero-rated sales only in this box. This box would only be used if you export goods or other items listed as zero-rated in the Third Schedule of the VAT Act.

Box 3 Exempt supplies go here. You would only use this box if sell items on the Second Schedule of the VAT act. This includes the sale of uncooked rice, uncooked flour made from wheat etc.

Box 4 Subtract boxes 2 and 3 from Box 1 and print your answer in here. This now should be the total sales you have made for the month that included VAT.

Box 5 Divide box 4 by 9 and put it here. This represent the amount of VAT that you collected for the quarter.

Box 6 This is an adjustment box, you may use this box to fix errors you may have made in a previous return. If you use this box you may need to seek permission from the Internal Revenue Board or write an explanatory letter.

Box 7 Add box 5 and Box 6 to give you the total VAT collected for the return period.

Vat Paid

Box 8 Total purchases and Expenses sales include VAT paid. This will include freight costs and other expenses associated with importing but do not include the actual cost of the imported goods or the amount of VAT paid to Customs; you will have an opportunity to claim this at box 12.

Box 9 This is the box you put all your purchases that did not have VAT included in the price i.e. when you purchased uncooked rice or you purchased supplies from a non-registered person. You will also include Salary & Wages here.

Box 10 Subtract Box 9 from Box 8

Box 11 Divide box 10 by 9 and put the result here

Box 12 Total VAT that has been paid to customs for imported Goods

Box 13 If your business made sales to a government department during the quarter you would have invoiced the Government for total cost of sales plus VAT however the Government would have only paid you for the cost of sale. Because of this you would have accounted for VAT in box 7 above but have not been paid. This is the box where you will account so that you are not out of pocket.

Box 14 This is where you will adjust for errors made in previous returns; as in box 6 you may need to seek permission or write an explanatory letter. This is also where you will claim your one off credit for import duty. There are strict rules you need to follow before you can make this claim and documentary evidence will be required, if you are unsure please contact the tax office.

Box 15 This is total VAT paid by you and the one off Import Duty so add Box 11,12 , 13 &14.

Box 16 Is your total VAT Payable or Refundable. If Box 15 is larger than Box 7 you are due a refund and if Box 7 is larger than Box 15 you need to pay VAT.

The VAT system is a self-assessment system and large penalties can be imposed if you make a false or misleading claim. If in doubt please seek advice.