



CASE

Company Administrative Services

To help with administration and completing of the tax return forms for small businesses of Saba and Sint. Eustatius.

A service provided by the Information Centers of Taxes on Saba and St.Eustatius.



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Case, Company Administrative Service

In this information package, you have useful information with the help we provide to keep your records.

All information is also available on the following websites .

<http://media.sabagovernment.com/tax-information/>

<http://www.statiagovernment.com/taxes.html>

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Template Administration A blank template will be used to keep your records. This is an example of how the template should be completed. The template can be used either manually or with the computer. In latest case, all the calculations are done automatically.	5
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CASE, Company administrative service

The Informationcenter of Taxes on Saba and Sint Eustatius, under the name of CASE will be offering assistance to small businesses with the setting up of their administration and the filling in of their tax returns.

Why are we doing this.

We are offering this service because we realise that lots of businesses keep no or very little administration, but also because at the moment there is practically no affordable assistance by professional administrators on the Island.

We are providing this service for the fiscal year 2010.

What do we want to achieve.

With this **free** assistance small business owners will be able to setup a simple administration, that will enable them to periodically make a profit- and loss account which will be the basis to fill in their Income Tax returns 2010, and the monthly return forms for Wage Tax and Turnover Tax 2010.

Why is a proper administration important.

A proper administration is important because it is obliged for the Inspectorate of Taxes. Without this it is next to impossible to correctly fill in your return on time. Besides it is also important for you, because having a proper administration will let you know if your business is functioning or not.

How will this assistance be offered.

Assistance will be done in the following manner.

Company visits.

During this visit we can document the exact activities of your business, an inventory will be made up of the already existing administration and together with you a decision will be made, to see what type of assistance would be suitable for your particular situation.

Assistance with administration.

Through a few templates that will be provided, you will be assisted in setting up your administration. Afterwards you will have to do it yourself, but you can contact us anytime if you still have questions or need help.

Monitoring.

After the First visit we can visit your business more often through our own initiative or whenever you request it.

We will always pay you a follow-up visit to see if your administration complies with the requirements.

Assistance with declaring.

Besides your administration, assistance with filing the various forms will be given. You will then be given information on the different tax laws that exist.

What we expect from you.

As mentioned earlier, the help is free. However we expect that you stay with your current liabilities for the taxyear 2010

Stops the assistance after 2010

In principle, the assistance stops after the tax year 2010. We as taxoffice will always continue to provide information but the administrative support is not the task of the taxoffice but ultimately of the business itself.

How can I apply for this assistance.

Simply by contacting the Information Center of Taxes on your island, or by visiting the Office.

Januari 2010		123456789								
ELCA enterprises			Ontvangsten		Uitgaven					
Datum	Boeknr.	Omschrijving	Winkel	Diversen	Inkopen	Kosten	Lonen	Prive	Diversen	
01-Jan		Saldo		1000						
02-Jan	1	dagontvangst	275							
03-Jan	2	bankopname		500						
04-Jan	3	dagontvangst	344							
06-Jan	4	Loon Ellen					250			
07-Jan	5	prive-opname						300		
07-Jan	6	GEBE				122				
08-Jan	7	inkoop drank			2111					
09-Jan	8	dagontvangst	433							
10-Jan	9	dagontvangst	118							
11-Jan	10	bankopname		500						
		Totaal	1170	2000	2111	122	250	300	0	
		Totaal ontvangsten								3170
		Totaal uitgaven								2783
		Saldo								387

BUSINESS AND TAXES

This pamphlet contains general information on taxes for persons who have their own business (one-man business; sole proprietorship, eenmanszaak).

This pamphlet will meet the following issues:

- Which taxes will I have to deal with?
- When are taxes due?
- What happens when I do not meet my obligations in regard to the Tax Returns or payments?
- What administrative obligations do I have?

Which taxes will I have to deal with.

As a one-man business you will have to deal with these taxes;

- Income tax.
Yearly you will be expected to fill in a Tax Return form the Income Tax (IB) from which the Inspector will enforce a tax assessment. If you do not receive a Tax return form from us, you are obliged to request one yourself.
- .BBO
You are due to pay BBO on your turnover (the total amount of your revenues). For this purpose you need to fill in a Tax Return Form every month.
- Wagetax.
If you are to hire staff, you need to fill in a Tax Return Form for wage tax every month as well.

When are my taxes due.

- Income Tax
After you have handed in your Tax Return Form for Income Tax at one of our information desks, you will be sent a tax assessment. With this assessment you can pay the due amount to the Island Receiver. Payment needs to be made within a month of the date of issue.
- BBO
You have to pay your turnover tax every month, no later than the fifteenth of the month. You must fill in the tax return form you received from the Inspectorate of Taxes and go to the Federal Receiver to make payments.

- Wagetax
You have to pay your Wagetax every month, no later than the fifteenth of the month. You must fill in the tax return form you received from the Inspectorate of Taxes and go to the Federal Receiver to make payments

What happens when I do not meet my obligations in regard to the Tax Returns or payments.

If I do not return in the taxforms and/or pay the assessments, the Inspectorate of Taxes will then make an assessment of your turnover and profits and determine the taxes. If you fail to pay the receiver will have to take drastic collection measures. In drastic cases the tax bailiff could sell off your property.

Do not let it get this far. If you have any problems do not hesitate to contact one of the information centers. They are there to help you.

What administrative obligations do I have.

As a sole proprietor you are obliged to keep the books, records and other documents (administration) pertaining to your company. According to this administration it should be clear what your fiscal obligations are. You are obliged to save everything you register on paper or in the computer pertaining to the company.

This pamphlet is intended to give general information to persons who have their own business, a sole proprietorship. All the matters discussed are in greater detail dealt with in separate pamphlets, which you can get at our information centers or you can download them.

INCOME TAX

This pamphlet contains general information about the income tax (IB; inkomstenbelasting)

This pamphlet will answer the following questions:

- What is Income Tax and who is liable to pay this tax.
- What is Income Tax levied on.
- What is the rate of Income Tax.
- When is Income Tax due and how is it to be paid

What is income tax.

Income Tax (IB) is a tax that has to be paid by everyone who lives within the Netherlands Antilles. Not everyone will notice this however. People that only have a small income and no tax-deductible costs will probably never have to make a declaration. People that only work in paid employment without further income will also probably not have any dealings with Income Tax.

As an entrepreneur (sole proprietor) you will certainly have to make a declaration of IB.

What is Income Tax levied on.

IB is levied on the taxable income of a year.

This income is determined as follows:

Pay from employment	+/+
Profit from business	+/+
Income from labour	+/+
Income from property	+/+
Income from moveable property (interest, dividend)	+/+
Income from recurrent benefits (Financial assistance or onderstand, pension)	+/+
	X
Personal burdens (annuity, pension contributions, mortgage interest)	-/-
Exceptional burdens (medical expenses, studies)	-/-
	Y
Taxable Income	Z

What is the rate of Income Tax.

IB is imposed on the Taxable Income. The rate will increase with the income. Up to a Taxable Income of Naf 24345,- the rate is 10%, this will increase to 38% at a Taxable Income of over Naf 107524,-.

On these taxes then a number of reductions may be applicable.

- A basic discount of Naf 1267,-
- A single-income household allowance (in instances where one spouse is working) of Naf 846,-
- A senior citizen allowance (when the taxpayer is 60 years or older) of Naf 638,-
- A child allowance, varying from Naf 45,- to Naf 451,- per child.

All mentioned percentages and reductions without 25% surcharges. ("opcenten")

When and how is Income Tax due and how is it to be paid

When the Inspectorate is of the opinion you qualify for IB he will send you a Tax Return. If you didn't receive this form but you do have income which falls under the obligation of Income Tax, you are obliged to request the Tax Return.

You are compelled to file, sign and return the form within 60 days of issue. The Inspector will judge the Tax Return and enforce a tax assessment. After you receive notice of this, you have two months to pay your dues to the receivers.

WAGE TAX , SOCIAL PREMIUMS AND AVBZ.

This pamphlet contains general information on Wage Tax, Social premiums and AVBZ

This pamphlet will answer the following issues:

- What is Wage Tax.,
- Who is obligated to deduct Wage Tax .
- What income is Wage Tax levied on.
- How is Wage Tax calculated.
- What is the tariff of the Wage Tax.
- What are social premiums and AVBZ
- When and how is Wage Tax due.
- Are there special administrative obligations.

What is Wage Tax.

Wage Tax is an advanced tax payment on Income Tax which an employee has to pay. This is already withheld from you wages by your employer (who is obliged to do this) and paid to Island Receiver of Taxes. This means that if you have to fill in a Tax Return for the Income Tax, the already paid Wage Tax will be deducted from the Income Tax due.

Who is obligated to deduct Wage Tax.

The employer is obligated to deduct the Wage Tax. Typical for an employer is that he is in an authority position to the employee. The employer decides what needs to be done and the employee carries this out. The employee receives wages for this.

What income is Wage Tax levied on.

The Wage Tax is levied on the wages of the employee. Wages consist of monetary pay , but also pay in kind. Some things are not considered wages, namely:

- Premiums Accident insurance and Medical insurance
- Benefits due to the death of an employee
- Allowances AOV and AWW
- Employers' contribution to the pension
- Employers' contributions to medical costs of the employee

How is Wage Tax calculated.

Wage Tax must be calculated every month. In order to do this we have tables available. These tables will be sent to you every year with the necessary Tax Forms. The tables are also available at the information centers.

What is the tariff of the Wage Tax.

There are different tariffs. The more an employee earns the higher the tariff. The tables mention the exact amount of Wage Tax is that is due at a particular wage.

What are Social Premiums and AVBZ

Together with the Wage Tax the employer has to pay the social premiums and AVBZ.

The social premiums are:

- AOV, Algemene Ouderdomsverzekering ore General Old Age Pension Insurance.
The percentage is 13% up to a maximum income of NAF 72000 per Year
- AWW, Algemene Weduwen- en Wezenverzekering ore General Wowers end Orphans Insurance.

The percentage is 13% up to a maximum income of NAF 72000 per Year

The AVBZ, Algemene Verzekering Bijzondere Ziektekosten ore General Insurance Sickness Expenses. If you income exceeds NAF 361677,-- then you will not pay premium on the excess.

When and how is Tax on Income due.

Every month, on the 15th latest, you have to pay the Tax on Income due over the preceding month. You fill in the tax form you have received and take this to the Receivers office on the Island to make your payment.

For example, the Wage Tax for May needs to be paid at the latest on June 15.

Are there special administrative obligations.

As an employer you have the following obligations;

- You need to maintain a monthly payroll administration in order to calculate the due taxes.
- You have to send a summary statement of wages (specification of all employees and their wages) to the Inspectorate of Taxes every year.
- You need to maintain a yearly payroll for each employee from which you can provide her or him with a wagecard for that year.
- The employee is obligated to provide the employer with all necessary so the employer can determine the amount of Income Tax due.

TURNOVER TAX.

This brochure contains information about the turnover tax.

In this folder you will find answers to question such as:

- What is the turnover tax
- Who is considered taxpayer for the turnover tax
- On what is the turnover tax levied
- What is the tariff of the turnover tax
- Are there any exemptions
- When and how should the turnover tax be paid.

What is turnover tax

Turnover Tax is a tax that is levied on the business' turnover/sales that are generated by entrepreneurs through the delivery of goods and services.

Who is considered taxpayer for the turnover tax

Taxpayer are:

- Entrepreneurs living or residing on one of the islands St. Maarten, Saba or St. Eustatius
- Entrepreneurs who are not living or residing on one of the islands, but are delivering goods and/or services to the islands

An entrepreneur is anyone who operates a business or a profession. Not only sole-proprietorships but also for example NVs and even foundations and associations.

On what is the turnover tax levied

Turnover tax is levied on the business turnover or sales that the entrepreneur realizes through the delivery of goods and/or services.

Also if you take goods from your business for personal use you are liable to pay turnover tax. This is referred to as private use.

What is the tariff of the turnover tax

The tariff of the turnover tax is 3 percent.

Are there any exemptions

There are a considerable amount of exemptions within the turnover tax.

If one of the exemptions are applicable to you, then you don't have to pay any turnover tax.

You still always have to prove that you fall under an exemption.

The most important exemptions are:

- The delivery to entrepreneurs who reside on St. Maarten, Saba or St. Eustatius. The goods must actually be shipped to the other island.
- The delivery of immovable property is exempted if transfer tax is owed.
- The sale of lottery based on the Federal Lottery Ordinance
- The transport services by air and by sea (NB: transport by pleasure-boats are always taxable)
- The services of hospitals, doctors, physiotherapists etc.
- The delivery of medicines on prescription
- The services of bus or taxi drivers, and also schoolbus services
- Non-commercial education
- The rental of hotel rooms and apartments if roomtax is owed.
- The delivery of bread
- The export of goods

When and how should the turnover tax be paid

You have to pay your turnover tax every month, no later than the fifteenth of the month, on the tax which is due over the previous month. You must fill in the return form you received from the Tax department and go to the Federal Receiver to make payments.

For example: The turnover tax for the month of May is due no later than June 15th.

PROFIT TAX

This brochure contains information about the Profit Tax. In this folder you will receive answers to the following questions:

- What is Profit Tax and who is the taxpayer
- What exactly is taxed and what is the tax rate/percentage
- Are there any exemptions
- When and how should the profit tax be paid
- Are there special regulations

What is the Profit Tax and who is considered the taxpayer

The profit Tax is a tax that is levied from legal entities. (e.g. NV's, BV's, CV's) which resides within the Netherlands Antilles.

A legal entity is considered a resident of the Netherlands Antilles once it has been established according to Antillean Laws.

A legal entity that is not residing within the Netherlands Antilles, but is operating within the Netherlands Antilles through a permanent establishment, also falls under the Profit Tax.

What is taxed and what is the tax tariff/percentage

Profit Tax is levied on **all** profits that are generated by the company. The tariff is 34%.

Exemptions

There are some exemptions within the Profit Tax, for the legal entity as well as for certain activities of the company.

- The exempted corporation
(The investment or financing company, only by request to the Inspector)
- The transport of persons or goods by sea or by air
- The profits with regards to the purchase, bunkering or delivery of petroleum or petroleum products. (By request and after permission from authorities)
- The profits of employees funds (savingsfund, pensionfund, sicknessfund)
- Profits gained from granting financing for the building of vacation accommodations

When and how should the profit tax be paid

The **provisional** return and payment(s) must be at the Receiver's Office no later than the last day of the third month following the close of the calendar year.

The **final** return and payment(s) must be at the Receiver's Office no later than the last day of the sixth month following the close of the calendar year.

Are there special regulations

There is a special regulation, the director's liability.

Directors and managing partners are held primarily accountable (that means with their personal property) for the tax debts of the corporation.

Only if these persons can prove, to the satisfaction of the inspector, that in their capacity as director of the company it was not possible to pay the taxes, then they would be released from their accountability.

THE ADMINISTRATIVE OBLIGATIONS OF AN ENTERPRISE.

This pamphlet contains information about the administrative obligations an enterprise has with regards to the Inspectorate of Taxes.

This pamphlet will give answers to the following questions:

- What is the importance of a proper administration
What does a proper administration look like.
- What all does a proper administration consist of.
- How long should I save my administration.
- Am I obligated to have an accountant do my book-keeping.

What is the importance of a proper administration.

As entrepreneur you have the legal obligation to maintain a proper administration. Your administration forms the basis of your Tax returns. Without this basis you cannot make a proper declaration and the Tax Department cannot verify your declaration. In a situation like this we will then make an assessment of your turnover and profits and determine the due taxes. If you do not agree with our assessment, you would have to prove that the calculation is wrong.

Besides, keeping a proper administration is valuable to you. Once you have a proper administration you will have quick insight into your turnover, costs and profit.

What does a proper administration look like.

You are free in the way you maintain your administration as long as it is consistent with the nature of your business. For a small tourist shop it will probably suffice if you total and make note of your daily revenues in a cashbook . For a hotel the administration will of course be much more extensive and it is reasonable to expect that we would want to see separate daily accounts of restaurant revenues and hotel stayovers.

What all does a proper administration consist of.

Administration means all data concerning your business, both on paper or in electronic form.

For example:

- Receipts
- Cash Books
- Sales slips from your cash register
- Written and received invoices
- Offers
- Bank statements
- Software and data files

How long should I save my administration.

You are obliged to keep your entire administration for at least 10 years.

Am I obligated to have an accountant do my bookkeeping.

You are not obliged to do so. In the start –up phase of your business it is recommended to have a bookkeeper help you set up a proper administration.

A great deal of entrepreneurs does their own administration and allow an accountant to control and process this once a year.

But again, this is not compulsory.