

## Offences

**Civil Penalties-** You have ninety days after your accounting period to file your return. If you fail to furnish a return on time you shall incur a penalty of \$100 or 10% of the taxes unpaid, whichever ever is greater.

**Criminal penalties-** The law provides for criminal proceedings to be taken against persons who do not comply with the Laws.

## Appeals

Any person who is aggrieved by an assessment or a determination by the Comptroller made on him may, by notice of writing to the Comptroller within thirty days after the date of the notice of assessment or determination, or within such further time as the Comptroller may for good cause allow, object to the assessment or determination.

### Process of Appeal:

- An objection shall be sent to the Comptroller who would consider any valid objection and by notice in writing inform the objector of his decision.
- Any person who is aggrieved by a decision of the Comptroller may, by notice of appeal, appeal therefrom to the Appeal Commissioners.
- Upon hearing of an appeal, the Appeal Commissioners may confirm, increase or order the reduction of any assessment or make such other order as they think fit.
- The comptroller or the appellant may appeal to the High Court from any decision of the Appeal Commissioners which involves a question of law, including a question of mixed fact and law.

## What Income are exempted?

- Any amount accrued by way of gratuity on the termination of a contract of employment. Except in the case of a contract of employment with the Government.
- Any gratuity payable to a public officer on his retirement from the service or to his legal personal representative death.
- So much of the amount as does not exceed twenty five thousand dollars for severance pay payable under a contract of employment upon the termination of the employment of an employee by reason of the redundancy of the position held by the employee, but the exemption shall apply to the severance pay payable to the employee only once in a period of seven years.
- Any benefit payable under the National Insurance Act to any person by way of
  - sickness benefit
  - invalidity benefit
  - maternity benefit
  - funeral grant
  - any child allowance payable as a survivor's benefit.

**There are other exemptions for Income Tax, please refer to Section 25 in the Income Tax Act 1994.**

**For further information contact our department at:  
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**What do you know  
about Personal  
Income Tax ?**



**Inland Revenue Department  
Ministry of Finance  
Financial Complex Bldg  
Carenage  
St. George's  
Grenada**

# All you need to know about Personal Income Tax!

This brochure is intended to give a brief overview of the treatment of Employment Income for personal Income Tax.

## What is Income Tax?

Income Tax - is a tax levied on the income of people, corporations, or other legal entities.

## Who is required to pay Income Tax?

Corporations, trustees and every individual who earns in excess of \$5,000. monthly or \$60,000 per annum.

## What is employment Income?

Section 31 of the Income Tax Act of 1994, states that employment Income of any person for any year of assessment shall include:

- Any amount accrued by way of wages, salary, leave pay, fee (including director's fee), commission, bonus or gratuity in respect of employment in Grenada.
- Any travelling, entertainment or other allowance to the extent to which it does not represent a repayment to the employee of moneys wholly, exclusively and necessarily expended by him in the performance of the duties of their employment.
- The rental value of any quarters or residence provided by reason of the employment.
- The value of any other benefit or advantage received or enjoyed by the employee by reason of the employment.
- Any pension payable to a former employee or the dependent of a former employee by the trustees of a pension fund in respect of the employment.

Any loan or advances by a controlled company to a shareholder deemed to be employment income.

## What are the rates of Income Tax?

Employees, thirty percent (30%) of the excess over \$60,000. per annum. Additionally every employee who is resident in Grenada is entitled to a deduction of \$60,000. from his assessable Income.

### Example:

An employee receives the following gross income per annum:

Salary	\$ 40,000.00
Housing allowance	\$ 18,000.00
Entertainment allowance	\$ <u>9,000.00</u>
<b>Total:</b>	<b>\$ 67,000.00</b>

The following Income tax deductions are made from his/her salary :

Total income from above	67,000.00
Exempt amount	\$ 60,000.00
Excess	\$ 7,000.00
Therefore \$7000. x 30% =	\$ 2,100.00

**Total Income Tax Due** **\$ 2,100.00**

### NB

Income from all sources should be aggregated, someone who works with Government and works part time with another employee or tutors private classes for reward or has a business. The income from all the sources have to be reported.

### E.g.

Government salary	40,000.
Benefits	27,000.
Profit from business	10,000.
Salaries from other employment	<u>20,000</u>
<b>Total</b>	<b>\$ 92,000.00</b>

Less exempt Income	60,000.00
Total taxable Income	32,000.00
<b>Tax payable at 30%</b>	<b>9,600.00</b>

## Returns

Every employee who earns in excess of \$60,000 per annum are required to submit an Annual Income Tax return within ninety days after the end of the accounting period (fiscal year). Any amount due should be paid when submitting the return.

**NB**—Every employer who pays remuneration to his employees, shall deduct tax there from in accordance with the manner specified in the Fourth Schedule of the Income Tax Act and shall carry out such other obligations as imposed by that Schedule.

## When is the Tax Due?

The Tax is due and payable within ninety (90) days after the end of your financial year, but deducted monthly by the employer in the case of an employee and paid within seven (7) days after the end of the month during which the tax was deducted.

## Where can I pay?

The tax can be paid to Inland Revenue Department, or any District Revenue Office. Cheque (s) should be written to the Government of Grenada.

## Interest

Interest of 1 1/2% per month or part thereof is charged on any unpaid balance.