



INLAND REVENUE DEPARTMENT *St. Lucia*  
MINISTRY OF FINANCE

# TAX FACTS & CALCULATIONS



**ALLOWANCES & DEDUCTIONS  
FOR INDIVIDUALS**

In our continued aim to ensure that our Tax Returns are user friendly, the Inland Revenue Department has produced this brochure to assist individuals in the preparation of their Income Tax Returns. The following are basic allowances and deductions that can be claimed.

#### Section 4

##### *Personal Allowance:*

A resident individual is entitled to a personal allowance as follows:

<b>\$16,000</b>	-	from Income Year	<b>2005</b>
<b>\$17,000</b>	-	from Income Year	<b>2009</b>
<b>\$18,000</b>	-	from Income Year	<b>2013</b>

Enter amount on **Line 120**

##### *Spouse Allowance:*

An allowance of **\$1,500** is granted to a resident individual in respect of his/her spouse, if during the income year the spouse was maintained by him/her.

To qualify for this deduction you must be legally married and your spouse's income for the year must not exceed \$3,000. Where the spouse has assessable income between \$1,500 and \$3,000, the allowance will be reduced by one dollar for each dollar in excess of \$1,500.

Enter amount on **Line 121**

#### Section 2 - Schedule A Dependants & Medical Expense Allowance

##### *Children & Education Allowance:*

'Child' includes a stepchild, a child born out of wedlock or a

legally adopted child.

If during the Income Year you maintained a:

- Child who is less than 10 years old:  
**Claim \$1,000 per child**
- Child who has attained the age of 10 years old and was a student either in St. Lucia or elsewhere:  
**Claim \$2,000 per child**
- Child with permanent disabilities irrespective of age:  
**Claim \$1,000 per child**

For a child/relative maintained during the income year who attended University or an equivalent educational institution the allowance is **\$5,000**. Documentary evidence from the institution must be furnished.

Enter total on **Line 8**

*Dependent Relative Allowance:*

A resident individual is entitled to claim **\$350** in respect of each dependent relative that he maintains. 'Dependant Relative' is a person who (a) whether incapacitated or not is the parent or other lineal ancestor or aunt, uncle of that individual or his/her spouse and is unmarried, divorced, widowed or separated or (b) is incapacitated by old age or infirmity or unemployment by reason of old age and is the child, brother or sister of that individual or of his/her spouse.

Enter total on **Line 9**

*Housekeeper Allowance:*

An allowance of **\$200** is granted to a resident individual who is a widower/widow or is unmarried, divorced or separated, in respect of a relative maintained by him for the purpose of caring for his child(ren).

Enter total on **Line 10**

*Medical Expenses:*

Relief is granted in respect of medical expenses incurred by an individual during the income year on behalf of himself or on behalf of a dependent. Please note that only original receipts and bills will be considered. There is, however, an automatic allowance of **\$400** without any bills or insurance. If the taxpayer has a Medical Insurance Policy the total allowance is:

- a) Premiums paid for the year; plus
- b) Claims not reimbursed (*Amount Paid less Amount Claimed*); plus
- c) Receipts on-hand

Enter total on **Line 11**

**Note: Bills and receipts should be kept and presented only upon the request of the Comptroller. However, where an individual has Medical Insurance this statement must be attached to the Tax Return.**

Enter totals from **Lines 8, 9, 10, 11** on **Line 12**

Enter total Dependants & Medical Expense Allowances from **Line 12** on **Line 122** of the return form.

**Section 2 - Schedule B****Future Benefits:***Individual Registered Retirement Savings Plan/Approved Pension Fund*

A deduction is allowable for contributions to Retirement Plans or Pension Schemes approved by the Department. Maximum amount allowable cannot exceed **\$8,000** in respect of each deduction

- For Life Insurance & NIC you may claim the lesser of:
  - a) the actual premiums paid;
  - b) **10 percent (10%)** of the assessable Income; or
  - c) **\$8,000;**
- For Pension Funds established in St. Lucia - you may claim the entire amount of your contribution;

- For Funds not established in St. Lucia and participation commenced before 1988, **50%** of the contribution is allowable.

Complete the relevant table. Add **Lines a, b & c** and enter total on **Line 13**

#### *Life Insurance Payments and National Insurance Contributions*

- You are entitled to claim premiums paid on the life of yourself, spouse and/or children to local insurance companies;
- You are entitled to claim your contributions paid under the National Insurance Act.

Complete **Tables d & e**. Enter total on **Line 15**

#### **Note:**

- **The total of Life Insurance and National Insurance Contributions is limited to the lesser of:**
  - a) **Actual payments;**
  - b) **Ten per cent (10%) of Assessable Income; or**
  - c) **\$8,000 (this is the most which can claimed).**
- **Foreign Life Insurance premiums claims are restricted to 50% of the amount paid.**
- **Please remember to attach the certificates from the Insurance Company.**

Complete the relevant table. Add **Lines 13** and **14** and enter total on **Lines 15 & 123** of the return form.

## **Section 2 - Schedule C** **Other Allowable Deductions**

### *Registered Home Ownership Savings Plan (RHOSP)*

Relief is granted to a resident individual who makes contributions to an approved RHOSP up to a maximum of **\$6,000**. Supporting documentation from the financial institution must be submitted.

Enter amount on **Line 16**

### *Owner Occupied Residential Property*

The following Deductions are allowable:

- Mortgage Interest paid for the acquisition, construction or improvements to your home which is situated in St. Lucia up to **\$18,000** or **\$20,000** for first time homeowners.

**Note: Supporting documentation from the bank or lending institution must be submitted.**

**Note:**

- **Owner Occupied Dwelling House** means a dwelling house situated in St. Lucia which is occupied by the owner, either alone or together with family, or occupied rent-free by members of the family.
  - a) **House Insurance Premiums. Receipts must be submitted.**
  - b) **House Tax. Receipts must be submitted**
- **As of Income Year 2008, the deduction for Mortgage Interest is not granted to an individual whose House Tax is outstanding.**

Enter amount on **Lines 17a, b & c**

### *Repairs & Maintenance*

Relief is granted for up to **\$10,000** for expenses **reasonably** incurred in the up-keep and maintenance of the owner-occupied dwelling/house. A detailed description of what repairs were undertaken to the property **must** be attached to the return. Bills and receipts should be kept and presented only upon request by the Comptroller.

Enter amount on **Line 17d**

**Note: Where two or more persons are entitled to relief from Lines 17a through to 17d, the claims may be apportioned (among the parties involved).**

### *Donations*

A deduction is allowed in respect of amounts paid during the income year:

- Under a deed of covenant for a period of not less than three years in favour of any religious, charitable, medical or educational institution or sporting body or fund of a public character approved by Cabinet;
- To the St. Lucia National Trust;
- To the Loan Fund established under the Further Education (Loan Fund) Act, 1969.

**Note: The deduction is limited to 25% of your assessable income.**

Enter amount on **Line 18**

### *Subscription for Credit Union Shares*

A deduction of up to **\$5,000** is granted for payments by way of subscriptions for shares in any society registered under the Co-operative Societies Act or incorporated under the Building Societies Ordinance.

Enter amount on **Line 19**

### *Student Loan Interest*

A resident individual can claim a deduction of a maximum of **\$3,000** in respect of the interest on a student loan taken to finance his/her tertiary education.

Enter amount on **Line 20**

### *Alimony and Maintenance Payments:*

- The full amount of maintenance or separation allowance paid to a spouse under a Deed of Separation or Court Order is allowable.

- The full amount of alimony paid to a former spouse from whom he/she is divorced.
- The deduction allowable shall not apply unless the person receiving the allowance or alimony is chargeable to tax in St. Lucia.

Enter amount on **Line 21**

*Solar Water Heater:*

From Income Year 2005 up to and including **Income Year 2007**, a deduction of up to **\$6,500** shall be allowed to a resident individual for the purchase and installation of a new solar water heating system.

Enter amount on **Line 22**

**SECTION 3**

**Calculation of Net Income**

Wages and Salary from Public Sector

Wages, Salary & Benefits from Private Sector

Gross Employment Income

Less: Age 60 and over Allowance (\$6,000)

Net Employment Income

Pension Income Gross \$ \_\_\_\_\_ less \$6,000 exemption

Gross Interest Received (from Fixed Deposits)

Other Taxable Income (Alimony, Commissions, etc.)

Rental/Leased Income (Loss)

Business/Professional Income (Loss)

Total Income

Less: Prior Year(s) Losss

Assessable Income



*Shares in Public & Private Companies:*

A resident individual who purchases **new** shares issued by a resident public company shall be allowed as a deduction, an amount not exceeding **\$5,000**.

Enter amount on **Line 23**

*Other:*

Relief is also granted to a resident individual who makes payments:-

- For the preparation of his tax return;
- By way of subscriptions to a professional association.

Enter amount on **Line 24**

Add up all your payments and contributions under this schedule and enter the total on **Lines 25 & 124** of the return form.

		OFFICIAL USE ONLY
100	_____	
101	_____ <b>29,000</b>	
102	_____ <b>29,000</b>	
103	_____	
104	_____ <b>29,000</b>	
105	_____	
106	_____	
107	_____	
108	_____	
109	_____	
	110 _____	
	111 _____	
	112 <b>29,000</b>	

**SECTION 4****Tax Calculation:**

Personal Allowance Claim - \$17,000

Spouse Allowance (see page 1 of guide)

Dependents and Medical Allowance (Schedule A, line 12, page 2)

Future Benefits (Schedule B, line 15, page 2)

Other Allowable Deductions (Schedule C, line 25, page 2)

Total Allowances and Deductions

Chargeable Income

Total Income Tax on Chargeable Income

Add: Late Filing Penalty

**Payments and Credits:**

Double Taxation Credit and other Credits

PAYE Deductions by Employer

Prepayments or Installment Payments

Total Payments and Credits (Add lines 130, 132 and 133)

Net Tax Payable (if line 129 exceeds line 134 enter difference here)  
(if line 134 exceeds line 129 enter excess on line 136)

Refundable Amount (excess of line 134 over line 129)

	Assessable Income	112	29,000	
120	17,000			
121	-			
122	1,400			
123	1,400			
124	550			
		125	20,350	
		126	8,650	
		127	865	00
		128		
	Total	129	865	00
130				
132	1,350			00
133				
		134	1,350	00
		135		
		136	485	00
	Amount Enclosed	137		

### Section 4 - Tax Calculation

- Add **Lines 120** through to **124** & enter total on **Line 125**.
- If **Line 125** is more than **Line 112** enter **NIL** or **0** on **Lines 126** through to **Line 129**
- If **Line 125** is less than **Line 112**, subtract **Line 125** from **Line 112** & enter the difference or Chargeable Income on **Line 126**

Once the Chargeable Income is determined you can now use the **Tax Calculation Chart** in order to determine the total amount of income tax payable on your chargeable income earned during the year.

### Tax Calculation Worksheet

If your Chargeable Income on Line 126 is	On the first (Line B)	Tax is (Line BI)	On the remaining amount (Line C)
From \$0 to \$10,000	—	—	10%
From \$10,001 to \$20,000	10,000	1,000	15%
From \$20,001 to \$30,000	20,000	2,500	20%
More than \$30,000	30,000	4,500	30%

Chargeable income (Line 126)      **A** \_\_\_\_\_

On the first      **B** \_\_\_\_\_      Tax is **BI** \_\_\_\_\_

On the remaining amount  
(Line A minus B)      **C** \_\_\_\_\_      Tax at \_\_\_\_\_% is **CI** \_\_\_\_\_

The total of **BI** and **CI** is your tax on chargeable income. Enter on **Line 127** of your return.

**Example 1**

If Chargeable Income is **\$7,200**, calculate the tax as follows:

Chargeable income **\$7,200.00**

Tax on amount (10%)	<b>\$7,200.00</b>	<b>\$720.00</b>
<b>Tax on Chargeable Income</b>		<b>\$720.00</b>

**Example 2**

If Chargeable Income is **\$16,728**, calculate the tax as follows:

Chargeable income **\$16,728.00**

On the first	<b>\$10,000.00</b>	<b>\$1,000.00</b>
On the remaining balance (15%)	<b>\$6,728.00</b>	<b>\$1,009.20</b>
<b>Tax on Chargeable Income</b>		<b>\$2,009.20</b>

**Example 3**

If Chargeable Income is **\$23,334** Calculate the tax as follows:

Chargeable income	<b>\$23,334.00</b>	
On the first	<b>\$20,000.00</b>	<b>\$2,500.00</b>
On the remaining balance (20%)	<b>\$3,334.00</b>	<b>\$666.80</b>
<b>Tax on Chargeable Income</b>		<b>\$3,166.80</b>

**Example 4**

If Chargeable Income is **\$56,361** Calculate the tax as follows:

Chargeable income	<b>\$56,361.00</b>	
On the first	<b>\$30,000.00</b>	<b>\$4,500.00</b>
On the remaining balance (30%)	<b>\$26,361.00</b>	<b>\$7,908.30</b>
<b>Tax on Chargeable Income</b>		<b>\$12,408.30</b>

### Payments & Credits:

Enter Double Taxation credits and any other credits paid during the income year on **Line 130**.

Enter PAYE amounts as per your TD5 Slip (Annual Salary Slip) on **Line 132**.

Enter Prepayments (installments) made during the year on **Line 133**.

Enter total of **Lines 130, 132 & 133** on **Line 134**.

If total on **Line 129** is greater than total on **Line 134** enter the difference on **Line 135**.

**Line 135 denotes amounts outstanding in taxes to the Department.**

If total on **Line 134** is greater than total on **Line 129** enter the difference on **Line 136**.

**Line 136 denotes amount overpaid in taxes to the Department.**

### Section 5 Payments

Taxpayer should indicate which manner preferred in receiving refund by checking **Boxes 150, 151 or 152**

### Section 6 General Declaration

Taxpayers must sign the return. This is absolutely necessary as it denotes agreement with the information provided and the declaration made.

## *Friendly Tax Tips*

The Tax Return must be submitted no later than **31st March** .

To avoid interest and penalties you are to pay any tax owed by **31st March** .

Your **Name** and **Tax Account Number (TAN)** and/or **NIC Number** must be clearly stated on all attachments to the return.

You may make a copy of your Return Form for your own records. Your business records must be retained for up to **six (6) years** after the Income Year to which it pertains.

Permission must be sought from the IRD should you wish to destroy such records.

## **OUR MISSION**

To optimize revenue collection and encourage voluntary compliance using modern tax administration techniques while supporting and developing a highly competent workforce

For further information, please contact us at our:

### **Head Office in Castries**

Telephone Number: **1-758-468-4700/80**

Fax Number: **1-758-453-6072**

**Customer Service** **1- 758-468-4730/66/35**

### **Tax Service Center in Vieux-Fort**

Telephone Number: **1-758-468-4767/69**

Fax Number: **1-758-454-9218**

### **Soufriere Sub-Office**

Telephone Number: **1-758-459-7360**

**Website**

**[www.irdstlucia.gov.lc](http://www.irdstlucia.gov.lc)**