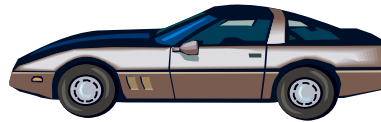




# Antigua and Barbuda Sales Tax (ABST)



## ABST Pricing and Automobiles

With the introduction of the ABST the rate of taxes applied to automobiles will differ from those rates that are currently in place. For example new automobiles at import are currently subject:

Consumption Tax	5%
Import Duty	35%
Customs Service Tax	10%
Environmental Levy	\$1,000

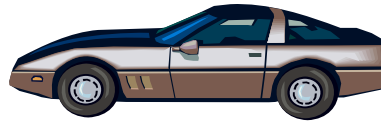
The Consumption Tax, Import Duty and the Customs Service Tax are applied individually to the CIF (Cost, Insurance and Freight) of the vehicle. The Environmental Levy is a fixed amount (varies in relation to the age of the automobile) and is also applied to the cost.

Example of new Automobile pricing prior to ABST:

CIF	\$10,000
Consumption Tax (5% x 10,000)	500
Import Duty (35% x 10,000)	3,500
Customs Service Tax (10% x 10,000)	1,000
Environmental Levy (1,000)	1,000
Cost to Dealer	16,000
Mark up (5,000)	<u>5,000</u>
Price to Consumer	21,000



# Antigua and Barbuda Sales Tax (ABST)



## ABST Pricing and Automobiles (after the introduction of ABST)

Once the ABST is introduced the Consumption tax will no longer apply. However ABST will be applied at import to the total of CIF (Cost, Insurance, Freight), Import Duty and Customs Service Tax. The dealer will be entitled to recover the ABST that was paid on import and will charge the consumer the ABST when it sells the automobile.

Example of Automobile pricing after the introduction of the ABST.

CIF		\$10,000
Import Duty (35% x \$10,000)	3,500	
Customs Service Tax (10% x \$10,000)	1,000	
Cost prior to ABST		<u>14,500</u>
ABST (15% x \$14,500)	2,175	
Cost after ABST		16,600
ABST credited to dealer	-2,175	
Dealer Cost		14,500
Mark up (\$5,000)		<u>5,000</u>
Price prior to ABST		19,500
ABST (15% x \$19,500)	2,925	
Environmental Levy (\$1,000)	1,000	
Price to consumer		\$23,425

In this case the introduction of the ABST will increase the price of automobiles by approximately 12%

Should you require any additional information or clarification regarding the Antigua and Barbuda Sales Tax (ABST) please refer to:

Web Site: [www.ab.gov.ag](http://www.ab.gov.ag)  
Inland Revenue Department: Newgate Street, St. John's  
Email: ABSTINFO@Gmail.com