



ANTIGUA AND BARBUDA SALES TAX (ABST)

WHAT IS AN ABST INVOICE

What is an ABST Invoice?

An ABST invoice (hereafter refer to as tax invoice) is a document issued by an ABST registered person to another registered person indicating that a supply is made on which tax is charged.

Overview

A tax invoice is one of the most important documents in an ABST scheme. It is an invoice, which contains some additional information, which is not found on ordinary invoices. The additional information is a requirement of the ABST Act.

Who can Issue a tax invoice?

A tax invoice can only be issued by a person who is registered for ABST.

Whenever a registered person supplies/sells goods or services, which are subject to ABST to another ABST registered person, he needs to give that person a tax invoice showing the amount of ABST charged and other certain information on what he is supplying.

What is the importance for issuing a Tax Invoice?

The invoice serves four main purposes:

- 1. It serves as a notice that the supplier is charging ABST;***
- 2. It primarily serves as a notice of transacting business between two registered persons and how much ABST is charged;***
- 3. It serves as a reference for cross-checking, which is one of the***

- main features of the tax credit method of a *valued added tax*, and
4. More importantly, it is the principal evidence to support the registered recipient claim for a deduction of input tax.

Tax Invoices are important for both the taxpayer and the people he does business with. He should ensure that he receives a tax invoice when he makes a purchase from another registered person. He may be able to reclaim the ABST his suppliers have charged him on goods and services for his business, but only if he keeps all the ABST invoices he received. In the same way, if his customers are registered for ABST they may be able to reclaim the ABST he charged them if they have a tax invoice from him.

What information should be Included on Tax Invoice?

The following information should be clearly stated on a Tax Invoice:

- a. The supplier's TIN, name and address;
- b. Invoice Identification (serial)number;
- c. Recipient's TIN, name and address;
- d. Date of supply;
- e. Quantity, description of goods or services, unit price of items;
- f. The rate and amount of any cash discount offered;
- g. Tax rate;
- h. Total consideration, excluding tax;
- i. Total tax charged, and

j. The total amount payable by the recipient.

Therefore, a Tax Invoice is simply a normal commercial bill or invoice with the following additional pieces of information:

- *The words "ABST Invoice";*
- *The ABST registration numbers for the supplier and the recipient; & the rate and amount of tax applicable; and*
- *The total value of the invoice including ABST.*

Obligation to issue a tax invoice

A registered person must issue a tax invoice for each taxable supply that he makes to another registered person and must keep a copy of the invoice. A tax invoice is issued when a supply is being made which attracts a positive rate of tax. This is a legal requirement.

Different categories of goods or services on the same Invoice

If a tax invoice includes zero-rated supplies, supplies at standard rate, and exempt supplies, they must be totaled separately or clearly coded. The invoice must clearly states which items attract tax, the rate of tax and amount of tax being charged.

Should a tax Invoice be issued for every supply made?

No. A tax invoice is a document indicating a taxable transaction between two registered persons;

- ***A tax invoice is not required if you are supplying goods or services***
- ***To persons who are not registered for ABST. However, a tax receipt must be issued indicating that you have made a taxable supply for which tax was charged.***
- ***It should be noted that the law requires that a tax invoice should be issued for taxable supplies between registered taxpayer. It makes no distinction between taxable at standard and zero-rated. You need to get approval from the Commissioner of ABST if you do not want to issue a tax invoice if you supply only zero rated goods or services.***
- ***Note also, the Act makes an exception to the general rule of issuing a tax invoice. It indicates that a tax invoice is not mandatory for taxable sales less than \$50.00 unless the recipient request one.***

You have purchased goods on which tax **is chargeable**; however you have not received a tax invoice, what should you do?

- 1. The first thing you need to do is to ascertain if your supplier is registered for ABST. If a business is registered for ABST, there should be a registration certificate being displayed.***
- 2. If he is not registered, he cannot issue a tax invoice. As a result you are not entitled to an input tax credit. You should ensure that a receipt is given. You need to get some form of record indicating that you have incurred this expense.***
- 3. If he is registered, request the tax invoice. He is obligated to issue a tax invoice at the time of the transaction.***
- 4. Without the tax invoice you may be prevented from making a***

claim against your output tax. If your supplier refuses to submit a tax invoice, notify the Commissioner of Inland Revenue Department immediately, as it is an offence for a tax invoice not to be issued in the given circumstance.

If you have lost your tax Invoice what should do?

If you have lost the original tax invoice, you must request a copy from your supplier. The copy of the tax invoice being issued must clearly marked "copy".

Offence

It is a serious offence for anyone who is not a registered person to issue a document showing an amount of ABST being charged in respect of a particular supply of goods or services or holding himself out as being authorized to charge ABST.

It is an offence for the registered person not to issue a tax invoice when a supply is made to another registered person.

Examples of tax invoices

The Act indicates the information which must be stated on a tax invoice. The registered taxpayer must ensure that whatever medium is used to record a supply, the required information is clearly stated.

Some person may use the following means to record sales:

a) Point of sales system - generates a cash slip;

b) Other computer/accounting packages - these generates

invoices or cash slips;

c) Cash register - generates cash register tapes

d) Manual invoices - type or hand written invoices

Listed below are some examples of tax invoices.

AN EXAMPLE OF A TAX INVOICE

ABST INVOICE

Sales Invoice No: 174

Date: 9/12/2006

From: Radio Supplies Ltd.
21 Any Road
St. John

TIN Registration
No. 91820

To: A N Otten Ltd.
22 High Street
St. John

TIN Registration
No. 12345

Qty.	Description & Price	Amount Exclusive of ABST	ABST Rate (%)	ABST
6	Radios SW 15 @ 25.20	151.20	15	22.68
4	Records Plugs @ 23.60	94.40	15	14.16
6	Lamps 177 @ 15.55	93.30	15	14.00
	TOTAL	338.90		
	ABST	50.84		-----50.84---
	TOTAL	389.74		

ABST INVOICE

Computer Accessories
T/A Beat Computer Services
8 High Street

TIN # 23457
Date: Sept. 3, 2006.

Vogue Ltd
89 Young Street

TIN:# 77654

Inv# CA-B345

Qty	Description	unit price	Total
5	computer key board	750.00	3,750.00
3	printer covers	1,134.00	3,402.00
5	computer screens	350.00	1,750.00
7	17" monitors	1,200.00	8,400.00
1	mouse pads	35.00	35.00
	Sub-Total		17,337.00
	less 10% discount		1,733.70
	Total		15603.30
	ABST @ 1 5%		2,304.50
	Total price		17,907.80

sample invoice - indicating treatment of cash discount

ABST INVOICE

MILLS Wholesale
8 High Street

TIN 23457
Date: SEPT.21, 2006

G&BGrocery
89 Young Street

TIN 34500

Inv# 0035

Qty	Description		unit price	Total
25	lb rice	Z	5.00	125.00
33	lb sugar	Z	7.50	247.50
24	milk	Z	10.00	240.00
12	bread	Z	3.00	36.00
24	soda	Z	8.00	192.00
24	beer	t	12.00	288.00
36	bath soap	Z	5.00	180.00
24	lotion	t	6.50	156.00
24	shampoo	t	15.00	360.00
12	hair oil	t	4.50	54.00
48	pens	t	2.00	96.00
48	pencils	t	1.00	48.00
	Sub total			2,022.50
	ABST -15%			150.30
	Total price			2,172.80

Code is used to identify type of product:

Z = zero-rated; X (E) for exempt & T- for standard rated

ABSTINVOICE

MILLS Wholesale
8 High Street

TIN: 23457
Date July 21, 2006

G & B Grocery
89 Young Street

TIN: 34500

INV# 0035

Qty	Description	unit price	Total	ABST
25	lb rice	5.00	125.00	
33	lb sugar	7.50	247.50	
24	tin milk	10.00	240.00	
12	bread	3.00	36.00	
24	soda	8.00	192.00	
24	malta	12.00	288.00	43.20
36	bath soap	5.00	180.00	
24	lotion	6.50	156.00	23.40
24	shampoo	15.00	360.00	54.00
12	hair oil	4.50	54.00	8.10
48	pens	2.00	96.00	14.40
48	pencils	1.00	48.00	7.20
	Sub -Total		2,022.50	150.30
	ABST-15%		150.30	
	Total price		2,172.80	

This sample Invoice shows the tax separately

MILLS, Wholesale
8 High Street

ABST INVOICE
TIN:25457

Date: March 21, 2007

G & B Grocery
89 Young Street

TIN: 34500

INV# 0035

Qty	Description		unit price	Total
25	lb rice	Z	5.00	125.00
33	lb sugar	Z	7.50	247.50
24	tin milk	Z	10.00	240.00
12	bread	Z	3.00	36.00
24	soda	Z	8.00	192.00
24	malta	t	12.00	288.00
36	bath soap	Z	5.00	180.00
24	lotion	t	6.50	156.00
24	shampoo	t	15.00	360.00
12	hair oil	t	4.50	54.00
48	pens	t	2.00	96.00
48	pencils	t	1.00	48.00
	transportation of goods	t		100.00
	subtotal			2,122.50
	ABST@15%			165.30
	Total price			2,287.81*

Includes transportation

Code is used to identify type of product:

Z = zero-rated; X (E) for exempt & T- for standard rated