

F01 Corporation Income Tax Return Preparation Guide - 2005



**Government of
Antigua & Barbuda
Inland Revenue Department**

F01 CORPORATION INCOME TAX GUIDE (2005)

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1. Who has to file a F01 Corporation Income Tax Return?

Resident corporations

All corporations, non-profit organizations, co-operations and all those companies that are tax-exempt are required to file a F01 Corporation Income Tax Return for each taxation year, even if there is no tax payable. The only exception to this rule is for companies that have declared to be inactive for the whole taxation year.

Those companies that have declared an inactivity period during the tax year have to file a F01 return for the portion of the taxation year during which they were active.

Non-resident corporations

A non-resident company may be subject to corporation income tax and must file a return if, at any time during the year; one of the following situations applies:

- it carried on business in Antigua and Barbuda;
- it had gains or profits from any trade, business, profession, vocation or calling;
- it granted any employment allowance in money or otherwise;
- it is subject to tax under section 22, subsection 2 and 3.

2. How to file a F01 Corporation Income Tax Return

Corporations file their corporation income tax return by completing the personalised pre-printed F01 Corporation Income Tax Return that is sent to the corporation by the Inland Revenue Department. If the corporation does not receive a personalised F01 by the end of April contact the Inland Revenue Department.

The F01 Corporation Income Tax Return has 3 pages and Schedules A, B, C and D that are included in this completion guide.

3. When are corporations required to file their return?

The F01 Corporation Income Tax Return - 2005 must be filed within 3 months after the end of each taxation year or April 30th, whichever is later. The taxation year of a corporation is the same as its fiscal period.

When the corporation's taxation year ends on the last day of a month, file the return by the last day of the third month after the end of the taxation year.

When the last day of the taxation year is not the last day of a month, make sure to file the return by the same day minus one day of the third month after the end of the taxation year.

| Examples | | Filing deadline | |
|-------------------|----|-----------------|----|
| Taxation year-end | | | |
| December | 31 | April | 30 |
| January | 31 | April | 30 |
| June | 30 | September | 30 |
| November | 30 | February | 28 |
| October | 23 | January | 22 |

When the filing deadline falls on a Saturday, Sunday, or statutory holiday, the IRD will consider the return filed on time if it is delivered or mailed on the first working day after the filing deadline.

If the corporation hand delivers the return, the Inland Revenue Department will date-stamp it and consider it filed on that day.

If the corporation either mails the return or uses an equivalent delivery service, the IRD will consider the date of the postmark when determining if the return was filed on time.

Penalties do apply if the return is filed late. See item 6 for details.

4. Where do you have to file your return?

The F01 Corporate Income Tax Return is filed with the Inland Revenue Department at:
Newgate Street,
St. John's, Antigua.

5. When do corporations pay income tax?

Corporations should normally pay income tax throughout the year in monthly instalments based on the amount of taxes assessed for the previous taxation year. However this program has not yet been operational but is expected to become operational later in 2006.

Corporations will be receiving remittance forms (similar to the format used for employers, sole proprietorships and partnerships) on a monthly basis. Once the F01 Corporation Income Tax Return is assessed any balance outstanding will be due within **three** months after the end of that taxation year.

Interest and Penalties apply to late payments. To be on time, corporations should make payments on or before the due date either by mailing a cheque payable to the Commissioner of Inland Revenue., or by paying directly to the cashier at the Inland Revenue Department.

6. Penalties

If a corporation files its F01 Corporation Income Tax Return late, a penalty of \$500.00 or 5% of the tax owing (whichever is greater) applies.

A corporation can also be charged penalties for late or incomplete payments. The penalty is 20% of the unpaid tax, plus 1% for each complete month that the balance remains outstanding.

7. What happens once a corporation files its return?

After the IRD receives the completed F01 Corporation Income Tax Return, it will be reviewed for completeness and accuracy. Once the review is completed the information from the F01 will be captured and entered into the automated system at the IRD.

Once the return is captured, the assessment process is activated. If the corporation has a credit or tax liability, an assessment notice will be mailed along with an explanatory note. Please be advised that all returns may be subject to additional review or audit to verify the amounts claimed

As soon as the corporation receives the Notice of Assessment, it should be compared to the corporation's copy of the F01 Corporation Income Tax Return. Should the corporation require an explanation or clarification regarding the assessment, please contact the Inland Revenue Department.

If a corporation would like the IRD to release details regarding its annual Corporation income tax return to an independent representative, such as an accountant, send a signed letter of authorization to the IRD specifying the taxation year and the person or people authorized to receive the information. To cancel a previously given authorization, notify the IRD in writing immediately. Corporations should submit a separate authorization each time they give or cancel a third party authorization. In the letter, a corporation can request that the authorization not only apply to prior taxation years, but also to the year after the one for which the letter is dated.

8. When can the IRD reassess your return?

The IRD can reassess corporation income tax returns within a six-year period. In addition the IRD can make additional assessments of tax, interest, or penalties.

9. What should a corporation do if they disagree with the assessment?

Corporations can make a formal objection in writing to the Commissioner of Inland Revenue within thirty days if they disagree with the amount of tax, interest, or penalties assessed or reassessed. The objection should clearly state the reason for the objection. See section 56, subsections 1, 2, 3 and 4 and also section 59 of the Income Tax Act. If making objections under any other sections please state the relevant section of the Income Tax Act.

10. Books and records

Corporations must keep books and records in case the IRD needs to verify the income and expenses reported on the return.

Keep these documents, including related accounts and vouchers, for at least 6 (six) years from the end of the last taxation year to which they relate.

Keep all receipts and documents that the corporation does not have to file with the return in an orderly manner, in case the IRD needs to see them to support a claim, or in case the IRD selects the return for further review or audit.

All books and accounts must be kept in the English language.

Part 1: Taxpayer Identification

11. Identification

Be sure to validate Part 1 of the return, so that the IRD can properly identify the corporation, keep up-to-date information in the system and process the return quickly.

Do not write in the identification section unless the information is incorrect. If any of the information is incorrect, cross it out and print the correct information next to it.

If most of the information is incorrect or recently has been modified request Form F15 Registration of Non-Individual Enterprise from the Inland Revenue Department.

It is important that corporations notify the IRD as soon as possible of any changes in the name of the enterprise, head office address or mailing address.

Part 2: Income Declaration

12. Income from sources (as described in Section 5 of the Income Tax Act)

Line 1 Gains/income from Trade, Business, profession or vocation

On line 1, enter the amount of any gains or income received from trade business, profession or vocation for the fiscal period.

Line 5 Dividends, Interest or Discounts

On line 5, enter the amount of any received dividends, interest or discounts (section 5, subsection d) during the taxation year.

Line 15 Rents, Royalties, Premiums and other Income from Property

On line 15, enter the amount of rents, royalties, premiums and other profits arising from property.

Line 20 Other Gains and Income

On line 20, enter any other gains or income not entered on the previous lines. See section 5 subsection 1 of the Income Tax Act for more details.

Line 25 Balancing Charges

There may be cases where an asset is sold at a value that exceeds the current written down value (WDV). In these cases the value in excess of the WDV is considered as income and is referred to as a balancing charge. On line 25, enter the amount of balancing charges for those assets the enterprise disposed off by selling them under section 12, subsection 5 (ii) of the Income Tax Act. (See example below).

| | |
|---|----|
| Sale Price/Proceeds | \$ |
| Written Down Value (WDV) of Fixed Asset | \$ |
| Balancing Charge | \$ |

The amount of the balancing charges shall be the sum equal to the sale amount minus the written down value of the asset immediately prior to the sale.

13. Other incomes (as described in Section 16 of the Income Tax Act)

Line 30 Income of Insurance Company

Complete line 30 only if the corporation is an insurance company. Using Schedule A paragraph 1 to calculate the deductions the corporation is entitled as an insurance company other than the one listed in lines 1 to 25.

Transfer the amount from line 510 in Schedule A paragraph 1 to line 30 of the return if the corporation is a Life Insurance Company. Otherwise transfer the amount in line 560 in Schedule A paragraph 1 to line 30 of the return.

14. Total of income from various sources

Line 35 Total Income from Other Sources

On line 35, enter the amount of income from all sources. To determine this figure add the amounts from lines 001 to 030.

15. Exempted income (as per Income Tax Act)

Certain types of income may be exempt from tax. In that case complete lines 40 to 60.

Line 40 Income Exempt Under Section 8

On line 40, enter the amount of income exempted under section 8 of the Income Tax Act.

The following types of organisations or entities are exempted under this section:

- local authorities or trade union in so far as the income is not derived from trade or business carried on;
- statutory or registered building society;
- religious, charitable or public educational institutions in so far as the income is not derived from trade or business carried on;
- members of the permanent consular services for any emoluments in respect of rendered services in their official capacity;
- persons on expiration of a contract of service with the Government in respect of granted gratuities;
- Government Savings Bank;
- persons described under section 8, subsection n of the Income Tax Act;

Line 45 Income exempted by CARICOM Treaty

On line 45, enter the amount of income exempted under the CARICOM Treaty.

Line 50 Interest Income from Public Loans Exempted under Section 9

On line 50, enter the amount of income exempted under section 9 of the Income Tax Act.

The interest payable on any loan either generally or to a certain extent charged on the public revenue of Antigua and Barbuda is exempted from tax under this section. In this case, the company has to attach to the return a copy of the order as published in the Gazette.

Line 55 Income Exemption for hotels under Section 10.2

On line 55, enter the amount of income exempted under section 10, subsection 2 of the Income Tax Act.

This exemption is given in respect of an income arising from hotel activity if any of the following cases applies:

- construction of a new or extension of an existing hotel is commenced after January, 1st, 2003;
- the company has been granted a licence under the Hotels Aid Act;
- any part of the income is distributed as dividends to the shareholders which dividends are exempt from income tax in the hands of the shareholders.

In this case, the company has to attach to the return a copy of the certificate issued by the Cabinet.

Line 60 Other exemptions

On line 60, enter the amount of income exempted under any other section. In this case, the company has to attach to the return all relevant information (Order or Cabinet Decision) on this exemption and specify the authority which granted the exemption.

16. Determination of income after exemptions

Line 65 Total of exemptions

On line 65, enter the total amount of exemptions. To determine this figure add the amounts in lines 40 to 60.

Line 70 Income after exemptions

On line 70, enter the income after exemptions but before deductions. This amount is the result of line 35 minus line 65.

17. Deductions from income

The following section explains how to calculate the deductions the corporation may be able to claim to reduce income. Corporations will use these amounts to arrive at chargeable income.

Line 75 Salaries, Wages, Director's Fees and other Payments

On line 75, enter the amount of all salaries, wages and director's fees paid during the fiscal year. In addition the corporation's portion paid to Social Security, Medical Benefits and Education levy.

Line 80 Interest on Money Borrowed from Approved Financial Institutions

On line 80, enter the interest on money borrowed from banks and financial institutions licensed under the Financial Institutions Act when the interest was paid on capital employed in acquiring income for the corporation.

Corporations cannot deduct interest on money borrowed from one of the following sources:

- owners;
- shareholders;
- directors;
- spouses;
- children

To calculate the amount on line 80, add the interest paid on capital employed in acquiring income for the corporation and subtract the interest amounts paid as outlines above.

Line 85 Rent

On line 85, enter the amount of rent for premises occupied for the purpose of acquiring the income.

The deduction for rent paid by a corporation to its shareholders, directors, spouses, their children, close family members, or related parties (see section 10, subsection 1, and paragraph j for details on the related parties) cannot exceed 5% of the otherwise chargeable profits of the company.

Line 90 Repairs to Premises, Plant, Equipment etc.

On line 90, enter:

- the amount, equivalent to the cost of any plant or machinery minus the depreciation and any sum realised by a sale thereof or from insurance, salvage or compensation moneys, expended for the replacement of an existing plant or machinery; and/or
- any sum expended for repair of premises, plant and machinery employed in acquiring the income.

Line 95 Bad debts

On line 95, enter the amount of bad and doubtful debts that have become bad or doubtful debts during the year immediately preceding the taxation year and that they were due and payable prior to the commencement of the taxation year.

Line 100 Religious, Charitable or Educational Contributions

On line 100, enter the amount of any fixed annuities or other annual payment for a period of at least five consecutive years in favour of any religious, charitable or public educational institutions. A Cabinet approval must be obtained for that purpose and a copy attached to the F01 Corporation Income Tax Return.

Line 105 Initial allowance - Capital Expenditures

On line 105, enter one-fifth of the amount of capital expenditure (initial allowance) incurred during the taxation year if one of the following cases:

- the erection, alteration or acquisition of an industrial building or structure;
- the provision, alteration or improvement of a plant or machinery for the purposes of the business the company is carrying on;

See section 12, subsection 2 for more details about the persons allowed to such allowance.

Do not request a deduction for a capital expenditure in respect of the erection, alteration or acquisition of a building or a structure when the latter comes to be used it is not an industrial building or structure (see section 13 for the meaning of industrial building or structure).

Line 110 Balancing allowance

There may be cases where an asset is sold, destroyed or put out of use as being worn out or obsolete at a value that is less than the current written down value (WDV). In these cases the value that is less than the WDV is considered as a deduction from income and is referred to a balancing allowance.

On line 110, enter the amount of the balancing allowances for those assets by reason of discontinuance of the trade during the taxation year under section 12, subsection 5 (i) of the Income Tax Act.

(See example below).

| | |
|---|----|
| Written Down Value (WDV) of Fixed Asset | \$ |
| Sale Price/Proceeds | \$ |
| Balancing Allowance | \$ |

The Written Down Value (WDV) must be based on the capital allowance rates which are used by the Inland Revenue Department for each category of fixed asset. The Capital Allowance Depreciation Rates are posted on the Inland Revenue Department’s section of the Government of Antigua and Barbuda’s web site www.ab.gov.ag.

Line 115 Allowance for Wear and Tear

Section 14 of the Income Tax Act allows a company to deduct a reasonable amount of the capital cost of certain depreciable property, plant or machinery from income it earned in or from a trade, business, profession or vocation.

On line 115, enter the amount for wear and tear to be deducted from the income as calculated using Appendix C. The capital allowance depreciation rates must be those that are used by the Inland Revenue Dept. for each category of fixed asset.

Do not enter a deduction for wear and tear for the same property, plant or machinery, if a balancing allowance is or can be made in respect of it.

Do not deduct any amount for depreciation in the year in which the property, plant or machinery is disposed off but only include the balancing charge.

Line 120 Other Deductions

On line 120, enter the sum of any other deductions the company is entitled to under any other sections of the Income Tax Act.

See the following sections of the Act for more details:

- section 33 – Deduction of tax from dividends of companies
- section 37 – Deductions and allowances for separate business
- section 39 – Deduction of and accounting for tax on mortgage and debenture interest
- section 41 – Relief in respect of United Kingdom income tax;
- section 42 – Relief in respect of Commonwealth Income Tax
- section 45 – Deductions of set-off under section 34 and refund under section 75

In this case, the company has to specify the section under which it is claiming a deduction and attach to the return all relevant information (Order Cabinet Decision) related to this deduction.

Line 125 Other Deductions Specific to Insurance Companies

Complete line 125 only if you are an insurance company. Using Schedule A5, calculate the deductions the company is entitled to as an insurance company other than the ones listed in lines 75 to 120.

Transfer the amount in line 580 on Schedule A5 to line 125 of the return if the company is a Life Insurance Company. Otherwise transfer the amount in line 600 in Schedule A6 to line 125 of your return.

18. Total Deductions from Income

Line 130 Total Deductions from Income

On line 130, enter the amount of all deductions. To determine this amount, add all the deductions you entered on lines 075 to 125 in the previous section.

19. Determination of Chargeable Income

Line 135 Chargeable Income

On line 135, enter the amount of your chargeable income. To calculate this amount, subtract the amount of the total deductions entered on line 130 from the income after exemptions on line 70.

An enterprise may not always have chargeable income to report on line 135. Instead, it may have incurred loss. If the amount is a loss, transfer it on line 145 and remember to show it in brackets on line 135.

Line 140 Allowance for Losses

On line 140, enter the amount of losses carried forward or current-year losses of any kind under section 15 of the Income Tax Act.

(See example below).

| Losses Statement | | | | | |
|------------------|----------------------|-------------------|---------------|--------------|----------------------|
| Tax Year | Loss Brought Forward | Loss for the Year | Loss Utilized | Loss Expired | Loss Carried Forward |
| 2001 | | | | | |
| 2002 | | | | | |
| 2003 | | | | | |
| 2004 | | | | | |
| 2005 | | | | | |
| 2006 | | | | | |

A corporation can apply unused losses and deduct them from income it earned in the current year or in prior taxation years. If that amount exceeds the chargeable income for the taxation year, it may be carried forward for six years subsequent to the year of assessment and set-off against chargeable income for any year of assessment within the six-year period. However, in no case shall any loss reduce the chargeable income to less than one half of the amount which would have been chargeable income had the loss not been applied.

Line 145 Net chargeable Income

A corporation may not always have net chargeable income to report on line 145. Instead, it may have incurred a loss for the year.

On line 145, enter the net chargeable income or loss for income tax purposes. This amount is the result of line 135 minus line 140.

If the amount is a loss, remember to show it in brackets.

20. Determination of Tax on the Net Chargeable Income

Line 150 Applicable Composite Tax Rate

The tax rate for the months of January, February and March 2005 is 35%. The tax rate for the months April through December 2005 is 30%. Corporations are required to develop a composite tax rate for 2005 depending on the number of months covered.

For example if the fiscal period covered the period January through December 2005 the composite rate would be:

3 months at 35%

9 months at 30%

Composite annual rate of 31.25%

On line 150, enter the applicable composite tax rate on net chargeable income applicable to your company.

Line 155 Tax Amount on Net Chargeable Income

On line 155, enter the tax to be paid on net chargeable income. To calculate this amount, multiply line 145 by the rate shown on line 150. If the company has incurred a loss and the amount on line 145 is negative, enter zero on line 155.

Line 160 Relief under double taxation agreements

On line 160, enter the relief that the company is credited under any double taxation agreements other than CARICOM only if the tax amount on net chargeable income is positive (line 155). Refer to Section 41 of the Income Tax Act.

Line 165 Refunds of Previous Years Adjusted in the Current year

On line 165, report any applicable refunds of previous years adjusted in the current year only if the tax amount on net chargeable income is positive (line 155).

Line 170 Advance Tax Paid (Instalments)

On line 170, report all the instalment payments the company made to the IRD for the 2005 tax year. Keep in mind that if there is a discrepancy between the amount reported on the return and the amount in the Corporation's instalment account, the IRD will use the amount in the instalment account for the taxation year being assessed when the return is processed.

Line 175 Outstanding Tax to Pay

On line 175, enter the outstanding tax to pay. To determine this amount, subtract lines 160, 165 and 170 from line 155.

If the amount on line 175 is negative, it means that the Corporation may be entitled to a credit. This credit will be subject to verification by the IRD. Any valid overpayment will be first applied against other tax liabilities (such as an expected debit from a reassessment) or to a different tax account. In case there are no other tax liabilities, it would be transferred to the next taxation year.

Line 180 Amount of Withholding Tax

A corporation may have made payment to Non-Residents. In such a case, a withholding tax needs to be paid as specified by Sections 39 and 40 of the Income Tax Act. Use Schedule B to calculate the amount of withholding tax and enter this amount on line 180.

Line 185 Late filing Penalty

If the filing of the corporation income tax return is after the due date, then the corporation may be subject to a late filing penalty. In such a case, enter the amount on this line.

Line 190 Total Amount Payable

On line 190, enter the amount of any payment the company is sending with the return. Do not include this payment amount in the instalment total you recorded on line 165.

Prepare the cheque made payable to the Commissioner of Inland Revenue, and attach it to the return.

Certification

Complete this section by providing the required information in the appropriate spaces. Be sure that the person who signs and dates the return is an authorised officer of the corporation.

If the person that completed the F01 Corporation Income Tax Return is representing the corporation fill in the address of the representative. This representative either legal or non-legal entity will be considered as a contact person and will be responsible for answering queries related to the return.

It is a serious offence, punishable by a fine or imprisonment, to knowingly submit a false Corporation Income Tax Return.

Attachments

The following section describes the various documents you may have to attach to your return and appendices to complete.

21. Financial Statements

Each corporation should maintain complete financial statement information for the taxation year of the return. This includes:

- Balance Sheet Information;
- Income Statement Information;
- Any notes to the financial statement and the accountant's report, if it was prepared.

When preparing the first return for a new corporation, make sure to attach all of the following documents:

- Opening Balance Sheet Information;
- Copies of all relevant agreement or the full details on shares;
- The closing balance sheet of the proprietorship, partnership, or corporation if the new corporation acquired the assets or business, or assumed the liabilities of a former proprietorship, partnership, or corporation.

If the corporation has been inactive during the taxation year and has received a return to complete, send in the return with a letter stating the reason for and duration of inactivity period.

While corporations are required to maintain the financial statements as outlined above they should be made available should the Inland Revenue Department request to see them or if the corporation's return is selected for review or audit.

22. Schedules

The Inland Revenue Department prints the following schedules and forms:

F01 – Corporation Income Tax Return

Schedule A – Work Sheet for Insurance Company

Schedule B – Work Sheet for Computing Withholding Tax

Schedule C – Wear and Tear/Depreciation/Capitalization Calculation

Schedule D - Exemptions

If any of these have been completed by the company they should be attached to the F01.

Schedule A: Work Sheet for Insurance Companies

If your corporation is an insurance company (life and/or non-life) it must use Schedule 1, to complete some of the lines in the return.

A1 Investment Income**Line 500 Interest Income**

On line 500, enter the amount of income from interest and investment income for the taxation year. Any form of investment income of the company as a whole should be allocated to the Antigua branch using the following formula:

Premium written of the Antigua branch divided by total (consolidated) premiums written of the company.

Line 505 Other Income

On line 505, enter the amount of all other income from investment not included on line 500 or on lines 1 to 25 of the return.

Line 510 Total Investment Income

On line 510, enter the amount of the total income from investment. To calculate this amount, add the amount of line 500 to the amount of line 505.

A2 Premium Income for Non Life Business**Line 515 Gross Premiums Written**

On line 515, enter the amount of the gross premiums received or receivable in Antigua and Barbuda.

Line 520 Premiums Ceded or Re-insurance

On line 520, enter the amount of any premiums paid or re-insurances.

Line 525 Premiums Returned to the Insurer

On line 525, enter the amount of any premiums returned to the insured.

Line 530 Total Deductions from Gross Premiums

On line 530, enter the amount of all deductions from the gross premiums. To calculate this amount, add the amount on line 520 to the amount on line 525.

Line 535 Net Premiums Written

On line 535, enter the amount of the net premiums written. To determine this amount, subtract the amount on line 530 from the amount on line 515.

A3 Other Income from Various Sources for Non-Life Business**Line 540 Reserve for Unexpected Risks (End of Year)**

On line 540, enter the amount of the reserve for unexpired risks at the percentage adopted by the company in relation to its operations as a whole for such as risks at the end of the year proceeding the year of assessment.

Line 545 Reserve for Unexpected Risks (Beginning of Year)

On line 545, enter the amount of the reserve for unexpired risks outstanding at the beginning of the year preceding the year of assessment.

Line 550 Commissions Received on Re-insurance

On line 550, enter the amount of commissions received on re-insurance ceded.

Line 555 Total Other Income from Various Sources

On line 555, enter the income from other various sources. To determine this amount, subtract the amount on line 540 from the amount on line 545 and then add to the balance the amount on line 550.

Line 560 Total Income

On line 560, enter the total income of your insurance company during the taxation year. To calculate this amount, add the amount on lines 510 and 535 to the amount on line 555.

Transfer the result on line 560 to line 30 in your return.

A4 Total Deductions from Income for any Insurance Company**Line 570 Head Office Deductions Allocated**

On line 570, enter the amount of the expenses related to your corporation in Antigua and Barbuda and a fair proportion of the expenses of the head office of the company. Attach a schedule of allocations. The allocation of head office expenses should be calculated using the following formula:

Premium written of the Antigua branch ÷ by total (consolidated) premiums written of the company.

Line 575 Commissions Paid

Enter on line 570 the amount of all commissions paid on premiums written.

Line 580 Total General Deductions

On line 580, enter the total general deductions allowed for the insurance company during the taxation year. To calculate this amount, add the amount on line 570 to the amount on line 575.

Transfer the result on line 575 to line 125 on the F01 return.

If the corporation is exclusively a life insurance company, transfer the amount on line 575 to line 125 of the F01 return. Do not fill section 2.2 of Schedule 1 (from lines 585 to line 600).

A5 Specific Deductions from Income**Line 585 Gross Claims Paid for Non-Life Business**

Report the gross claims paid for Non Life business on this line. Do not fill in this line if you are exclusively a life insurance company.

Line 590 Recoveries from Re-insurances for Non-Life Business

Enter on line 590 the amount of the recoveries from reinsurances for Non Life business. Do not fill this line if you are exclusively a life insurance company

Line 595 Net Claims Paid for Non-Life Business

Enter the net amount of paid claims for Non Life business. To determine this amount, subtract line 590 from line 585. Do not fill this line if you are exclusively a life insurance company.

Line 600 Total Deductions from Income

On line 600, enter the amount of all deductions allowed for an insurance company. To determine this amount, add the amount on line 580 to the amount on line 595.

Transfer the result on line 595 to line 125 of the F01 return.

Schedule A: Work Sheet for All Insurance Companies (Life and Otherwise)

A1. Income from sources (as described in section 16 of the Act)

A1 Investment Income

(500) Interest and Investment Income (500) _____

(505) Other Income (505) _____

(510) Total Investment Income (loss) (line 500 + line 505) (510) _____

Transfer the amount of line 510 in Part 2, to line 30 if you are only a Life Insurance company.

A2 Premium Income for Non Life business

(515) Gross Premiums Written (515) _____

(520) Premiums Ceded or Re-insured (520) _____

(525) Premiums Returned to the Insured (525) _____

(530) Total Deductions from Gross Premiums (line 520 + line 525) (530) _____

(535) Net Premiums Written (line 515 - line 530) (535) _____

A3 Other Income from various sources for Non Life Insurance Business

(540) Reserve for Unexpired Risks at the End of the Year Preceding the Year of Assessment (540) _____

(545) Reserve for Unexpired Risks Outstanding at the Beginning of the Year Preceding the Year of Assessment (545) _____

(550) Commissions Received on Re-insurance Ceded (550) _____

(555) Total Other Income from Various Sources (line 545 minus line 540 + line 550) (555) _____

A4 Total Income

(560) Total Income (loss) (line 510 + line 535 + line 555) (560) _____

Transfer the amount from line 560 to line 30 in Part 2.

Schedule A5. Total deductions from Income for any insurance company

A5 General deductions for any insurance company

(570) Head office deductions allocated if any (attach schedule of allocations) (570) _____

(575) Commissions paid (575) _____

(580) Total general deductions (line 570 + line 575) (580) _____

Transfer the amount from line 580 to line 125 of Part 2, line 125 (if you are only a Life Insurance company.)

A6 Specific deductions (do not fill this section if you are only a LIFE insurance company)

(585) Gross claims paid for Non Life business (585) _____

(590) Recoveries from reinsurances for Non Life business (590) _____

(595) Net claims paid for Non Life business (line 585 - line 590) (595) _____

A7 Total deductions from Income.

(600) Total Deductions from Income (line 580 + line 595) (600) _____

Transfer the amount from line 600 to line 125 Part 2.

Schedule B: Worksheet for Withholding Tax (Payment to non-residents) Completion Instructions

If your enterprise is paying monies to non-resident (s), you must complete Schedule B.

B1 Payment to Non-Residents (Section 39 of the Income Tax Act). Where any person pays to any other person not resident in Antigua and Barbuda mortgage or debenture interest or any rent, annuity or any other payment which the payor is entitled to deduct in arriving at his chargeable income, the payor shall deduct there from tax...

Line 700 Amounts Paid to CARICOM Member Countries

On line 700, enter any amount paid to CARICOM member corporations

Line 705 Tax Rate

Withholding Tax Rate for amount paid to CARICOM members companies is 15%

Line 710 Tax Payable

On line 710, enter the amount of Tax to Pay (line 700 x line 705)

Line 715 Amounts Paid to Non-CARICOM Corporations

On line 715, enter the amount paid to Non-CARICOM member companies

Line 720 Tax Rate

Withholding Tax Rate for amounts paid to Non-CARICOM member companies is 25%

Line 725 Tax Payable

On line 725, enter the amount of Tax to Pay (line 715 x 720)

Line 730 Amounts Paid to Non-CARICOM member Corporations

On line 730, enter the amount paid to Non-CARICOM member individuals

Line 735 Tax Rate

Withholding Tax Rate for amounts paid to Non-CARICOM member individuals is 20%

Line 740 Tax Payable

On line 740, enter the amount of Tax to Pay (line 730 x line 735)

Line 745 Total Tax Payable under Section 39

On line 745, enter the Total amount of Tax to Pay (line 710 + line 720 + line 740)

B2 Payment to Non-Resident (under Section 40 of the Income Tax Act). Where any person makes to any other person not resident in Antigua and Barbuda or his agent, factor or trustee, a payment of a nature not referred to in Section 39 of this Act would be in the hands of the such non-resident person fall to be regarded as income chargeable to tax in Antigua and Barbuda such person shall deduct there from tax...

Line 750 Amounts Paid to CARICOM Individuals

On line 750, enter the amount paid to CARICOM member individuals

Line 755 Tax Rate

Withholding Tax Rate for amount paid to CARICOM member individuals is 15%

Line 760 Tax Payable

On line 760, enter the amount of Tax to Pay (line 750 x line 755)

Line 765 Amounts Payable to Non-CARICOM member Corporations

On line 765, enter the amount paid to Non-CARICOM member companies

Line 770 Tax Rate

Withholding Tax Rate for amount paid to Non-CARICOM member companies is 25%

Line 775 Tax Payable

On line 775, enter the amount of Tax to Pay (line 765 x line 770)

Line 780 Amounts Paid to Non-CARICOM member Individuals

On line 780, enter the amount paid to Non-CARICOM member individuals

Line 785 Tax Rate

Withholding Tax Rate for amounts paid to Non-CARICOM member individuals is 25%

Line 790 Tax Payable

On line 790, enter the amount of Tax to Pay (line 780 x 785)

Line 795 Total Tax Payable

On line 795, enter the Total Tax Payable (line 760 + line 775 + line 790)

B3 Total Amount of Tax to Pay (under Section 39 and 40 of the Income Tax Act)

Line 800

On line 800, enter the Total Amount of Tax to Pay (line 745 + line 795)

SCHEDULE B: Worksheet for Withholding Tax (Payment to non-residents)

B1 Payment to Non-Resident (under Section 39 of the Act)

| | |
|--|--------------------|
| (700) Amount paid to CARICOM members companies | (700) _____ |
| (705) Tax Rate (15%) | (705) .15 |
| (710) Amount of Tax to Pay (line 701 x line 702) | (710) _____ |
| (715) Amount paid to Non-CARICOM members companies | (715) _____ |
| (720) Tax Rate (25%) | (720) .25 |
| (725) Amount of Tax to Pay (line 704 x line 705) | (725) _____ |
| (730) Amount paid to Non-CARICOM members individuals | (730) _____ |
| (735) Tax Rate (20%) | (735) .20 |
| (740) Amount of Tax to Pay (line 707 x line 708) | (740) _____ |
| (745) Total amount of Tax to Pay (line 710 + line 725 + line 740) | (745) _____ |

B2 Payment to Non-Resident (under Section 40 of the Act)

| | |
|--|--------------------|
| (750) Amount paid to CARICOM individuals | (750) _____ |
| (755) Tax Rate (15%) | (755) .15 |
| (760) Tax to Pay (line 750 x line 755) | (760) _____ |
| (765) Amount paid to Non-CARICOM members companies | (765) _____ |
| (770) Tax Rate (25%) | (770) .25 |
| (775) Tax to Pay (line 765 x 770) | (775) _____ |
| (780) Amount paid to Non-CARICOM individuals members | (780) _____ |
| (785) Tax Rate (25%) | (785) .25 |
| (790) Tax to Pay (line 780 x line 785) | (790) _____ |
| (795) Total Tax to Pay (line 760 + line 775 + line 790) | (795) _____ |

B3 Total Amount of Withholding Tax to Pay (under Section 39 and 40 of the Act)

| | |
|---|--------------------|
| (800) Total Amount of Tax to Pay (line 745 + line 795) | (800) _____ |
|---|--------------------|

Transfer the amount from line 800 to line 125 Part 2

Schedule C – Wear and Tear/Depreciation/Capitalization Calculation

Complete the following schedule to calculate the wear and tear charge. The various rates will be made available at the government of Antigua and Barbuda’s web site www.ab.gov.ag and at the IRD.

Category of Asset: Enter the category of the asset as described by the IRD.

Column A: Enter the category’s wear and tear rate provided by the IRD.

Column B: Enter the current value of all assets in each category at the beginning of the taxation year.

Column C: Initial value of all assets in this category. For the first year of taxation, the amount is equal to the total acquisition value.

Column D: Total value for the assets in this category acquired during the tax year.

Column E: Initial value of the assets in this category sold during the tax year.

Column F: Wear and tear charge for the initial assets. Multiply the wear and tear rate (Column A) by the value in column B.

Column G: Total of the prorated charge for the duration where a new asset was owned.

Column H: Wear and tear charge for the category. Add the values of Column F and G. The total of this column must be reported on line 115 (Allowance for wear and tear charge) of F01 Corporation Income Tax Return.

Column I: Final value of the asset. Equals Column B + D – E – H. To be reported as next tax year Total current value (Column B).

| No | Category of Asset | Column A Wear and tear rate | Column B Total current value | Column C Initial value | Column D New assets cost | Column E Disposed assets | Column F Standard charge | Column G Prorated charge | Column H Wear and tear total charge | Column I Final value |
|---------------|-------------------|--------------------------------|---------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--|-------------------------|
| 1 | | | | | | | | | | |
| 2 | | | | | | | | | | |
| 3 | | | | | | | | | | |
| 4 | | | | | | | | | | |
| 5 | | | | | | | | | | |
| 6 | | | | | | | | | | |
| 7 | | | | | | | | | | |
| 8 | | | | | | | | | | |
| 9 | | | | | | | | | | |
| 10 | | | | | | | | | | |
| 11 | | | | | | | | | | |
| 12 | | | | | | | | | | |
| 13 | | | | | | | | | | |
| 14 | | | | | | | | | | |
| 15 | | | | | | | | | | |
| Total: | | | | | | | | | | |

Schedule D: Exemptions

If the corporation is exempt from any type of tax, it must complete Schedule D and include a copy of the letter of exemption that the corporation received from the Ministry of Finance and the Economy or the Inland Revenue Department. Tick the appropriate box depending of the type of exemption and give the required information in the space provided.

Please, indicate below if you are eligible for any exemption and specify the law as well as the start date and end date.

| | | | Start Date of the exemption | End Date of the exemption |
|--|--|--|--|--------------------------------------|
| Income Tax Act | | | | |
| Hotel Tax Act | | | | |
| Hotel Guest Levy | | | | |
| Restaurant and Catering Services Tax Act | | | | |
| Travel Tax Act | | | | |
| Foreign Currency Levy Act | | | | |
| Telecommunication Act | | | | |
| International Business Corporation Act | | | | |
| Insurance Levy Act | | | | |