

EMPLOYER'S AND TRUSTEES

TAX GUIDE

This Guide has been prepared to help you to complete your TD 4 Return correctly.

PLEASE USE IT

A circumstance may arise which is not covered. If you want more information or wish to make an enquiry about your TD4 Return, you should enquire at the Income Tax Department.

Belize City

Tel: Nos. 001-501-222-4956/4005

Email: IncomeTax@itx.gov.bz

Corozal

Tel: 422-2418

Belmopan

Tel: 822-2667

Dangriga

Tel: 522-2046

San Pedro

Tel: 226-2941

INTRODUCTION

This Guide contains instructions concerning the completion of the TD4 Return of Emoluments Paid.

Please ensure that the person who may be responsible in your organization for completing your return is aware of, and follows the detailed instructions contained in this Guide.

GENERAL REPORTING REQUIREMENTS

A TD4 Return, Form TD 4 Summary and related TD 4 Supplementary is to be completed by every person who paid emoluments during a year to an employee. Emoluments include all salary, fees, wages, perquisites or profits or gains whatsoever, arising from an office or employment or the amount of any annuity, commissions or charge. Employee means a person in receipt of emoluments, and includes an officer.

Copies 1 and 2 of the TD 4 Summary and copies 1 and 2 of related TD 4 Supplementary for a year are to be delivered or mailed to the Income Tax Department or delivered to your District Office within 10 days of discontinuance of business and otherwise not later than the last day of February in the next succeeding year. Copies 3 and 4 of forms TD 4 Supplementary are to be delivered to the employee or payee in person, or mailed to him at his last known address at the same time as the Return is delivered or mailed to the Department or District Office. Penalties may be imposed if the TD 4 Return is not filed on time.

COMPLETION OF TD 4 SUPPLEMENTARY

Complete, preferably in alphabetical order, TD 4 Supplementary for ALL, individuals who were paid emoluments if:

- (a) Income tax was required to be deducted, or
- (b) The emolument was \$200 or more

Such emoluments would include salary, wages, bonuses, vacation pay, gratuities, honoraria, director's fees, commissions, taxable benefits, annuities, and charges.

ALL AMOUNTS are to be reported in Dollars and Cents, **BELIZE** Currency.

DO NOT prepare a TD 4 Supplementary if emoluments paid to an individual were **LESS THAN \$200 and NO** income tax was required to be deducted.

Forms TD 4 Supplementary must be completed in accordance with the detailed instructions, which follow. Variations or omissions could result in the TD 4 Supplementary slips being returned to you for proper completion.

For electronic processing of the TD4 Summary and Supplementary

Please use **CD (Form DOC)** to prepare and print your TD 4. CD can be obtained at the Income Tax Department (see appendix 1).

Where Employer does not have the use of a computer, Forms are also available at the department.

EMPLOYEE

Enter given names, followed by surname in capital letters. The employee's full address is to be entered

NAME AND ADDRESS OR EMPLOYER

The employer's name and address must be entered on every slip.

BOX (A) SOCIAL SECURITY NUMBER

BOX (B) NO. OF WEEKS EMPLOYED

Enter the number of weeks. Even though the employee is paid, for example, by the month convert the length of employment to weeks.

BOX (C) TAX IDENTIFICATION NUMBER

Enter Employee Tax Identification Number. Each new employee must be registered with the Income Tax Department to obtain a Tax Identification Number.

BOX (D) TOTAL EMOLUMENTS

Report in this box the TOTAL emoluments including in that total, all salary, wages, bonuses, vacation pay gratuities, honoraria, director's fees, commissions, taxable benefits, annuities and charges.

If, you have been assessed for an employee's tax deductions during the year and have NOT recovered the amount from the employee the amount NOT recovered must be included in his total emolument in this box.

Taxable benefits include, among other things the value of board and lodging and the benefit derived from the personal use of an employer owned automobile driven by an employee or accommodation supplied by the employer without charge or at less than a reasonable rental. Further information on Benefits will be found later in this Guide.

Note that taxable benefits and commissions are to be included in Total Emoluments in this box and also shown separately in boxes **(G)** and **(F)**.

BOX (E) TAX DEDUCTED

Enter the amount of income tax deducted during the year. If you have assessed for an employee's tax deductions during the year the amount for which you were assessed must be included here whether you have recovered it or not. The amount will be found on your copy of form TD 16, Statement of Tax Deductions Required which was left with your pay records by an Inspector of the Department.

DO NOT include any amounts deducted for a prior year indebtedness as a result of "Deduction from Emoluments Order".

BOX (F) TAXABLE BENEFITS

Enter the amount of taxable benefits that has been included in "Total Emoluments" in Box (D).

BOX (G) COMMISSIONS

Enter the amount of commissions that has been included in "Total Emoluments" in Box (D).

CANCELLED, AMENDED OR DUPLICATED TD 4 SUPPLEMENTARIES

Any cancelled, amended or duplicate TD 4 Supplementary should be clearly identified as such in the upper right corner.

If any cancelled or amended TD 4 Supplementary are filed which reflect a change in the amount of tax deducted, it will also be necessary to file an amended TD 4 Summary reflecting the revised total. Amended TD Summaries should also be clearly identified as such in the upper right corner.

DISBRITUTION OF COPIES

Copies 1 and 2 – to be delivered or mailed to the

INCOME TAX DEPARTMENT or delivered to your
DISTRICT OFFICE together with copies 1 and 2 of **TD 4** Summary

Copies 2 and 3 – to be delivered or mailed to the **EMPLOYEE**

Copy 5 – to be retained by the **EMPLOYER**

COMPLETION OF FORM TD 4 SUMMARY

Add the amounts reported in Box (D) Total Emoluments, on all forms TD 4 Supplementary and enter the total on the line "**EMOLUMENTS PAID** (As shown on forms TD 4 Supplementary)."

Add the amounts under \$200 which was paid and from which tax was NOT deducted and enter the total on the line "CASUAL WAGES PAID (Amounts under 200.00 from which no tax was deducted)." Add these two amounts and enter the total on the line "TOTAL EMOLUMENTS PAID IN THE YEAR."

Add the amounts reported in Box (E), Tax Deducted, on all forms TD 4 Supplementary. Enter the total on the line "**TOTAL INCOME TAX WITHHELD**".

Date, and sign in the "Certification" box.

Please use the personalized TD 4 Summary that you received in the mail. If any other person prepares your TD 4 Return please give him your personalized Summary and any forms TD 4 Supplementary that you have received.

EMPLOYEES FRINGE BENEFITS

There is reproduced below the substance of Information Bulletin No. 1 on the above subject. The purpose of this Bulletin is to discuss various common types of benefits and to indicate whether or not the value should be included in income.

It is divided into two parts as follows:

PART A – AMOUNTS TO BE INCLUDED IN INCOME

PART B – AMOUNTS NOT TO BE INCLUDED IN INCOME

In those cases where the value should be included, the employer should determine the value, or make a reasonable estimate of it when it cannot be precisely determined, and include the value with regular pay and withhold tax from. He must also include that value in Box (D) and in Box (F) of the form TD 4 Supplementary.

PART A – AMOUNTS TO BE INCLUDED IN INCOME

1. BOARD

The Income Tax Act specifically refers to board supplied by an employer as a taxable benefit to the employee.

This; Includes board furnished as a perquisite of the employment as is common, for example, in the case of hotel and restaurant employees, and domestics. A value of \$5.00 per meal should generally be used.

2. QUARTERS

Quarters may be a room or suite of rooms supplied free. Normally the value placed on this benefit should be the lesser of the fair market value or the cost to the employer.

Where quarters are not provided free, but are provided at an unreasonably low rate, there is a taxable benefit equal to the difference between the amount charged the employee and the lesser of the fair market value or the cost to the employer.

3. RENT-FREE AND LOW-RENT HOUSING

Where an employer provides a house, apartment or similar accommodation to an employee rent-free or for a rental that is lower than the employee would have to pay someone else for similar accommodation, the employee received a taxable benefit.

The employer must make a reasonable estimate of the value of the benefit.

It should be noted that no value for tax purposes is placed on housing supplied to ordinary workers on a farm or in a lumber operation. This exclusion does not apply to managers and the like, who are usually supplied with much better housing than ordinary workers.

4. PERSONAL USE OF EMPLOYER'S AUTOMOBILE

Where an employee is permitted to make personal use of an automobile maintained by his employer he should have included in his income the value of the benefit to him arising from the personal use made of the automobile. The value of the benefit is that proportion of total costs of the automobile that his personal use bears to its total use in the year. For this purpose "costs" include such things as licenses, insurance, depreciation, repairs, gasoline, oil, servicing charges, and rentals paid.

5. GIFTS

A gift either in cash or kind is a benefit derived in the course of or by virtue of employment. It must be included in income of the employee except when the employer does NOT claim it as an expense in his business or when he does NOT take it from his stock-in-trade. A Christmas gift the value of which does not exceed \$100 is not regarded as a taxable benefit.

6. HOOLIDAY TRIPS AND OTHER PRIZES

A free holiday trip given by an employer to an employee, or any prize, whether in cash or in kind, in recognition of job performance, constitutes a taxable benefit from the employment which should be measured by the case equivalent.

7. TRAVELLING EXPENSES OR EMPLOYEE'S WIFE

When an employee's wife accompanies him on a business trip, the payment or reimbursement by the employer of her traveling expenses is a taxable benefit to the employee.

PART B – AMOUNTS NOT TO BE INCLUDED IN INCOME

1. PAYMENT OF PASSAGE

The payment of any passage to or from BELIZE for the purpose of leave granted in respect of the employment up to a minimum of one month's basic Salary is not to be included in the Employees Income.

2. UNIFORM AND SPECIAL CLOTHING

Where an employee is supplied with a uniform or is given an allowance to purchase a uniform which he must wear while carrying out the duties of the employment, or where he is provided with special clothing to protect him from the peculiar hazards of the employment, he is not regarded as receiving a taxable benefit.

3. DISCOUNTS OF MERCIANDIZE

This refers to a percentage discount, which is sometimes extended to employees in merchandizing businesses. The benefits, which may be derived by an employee from exercising such a privilege, are not regarded as taxable benefits. This does not extend to an extraordinary arrangement that may be made with a particular employee or select group of employees nor to an arrangement by which employees are permitted to purchase merchandise (other than old or soiled merchandise) for less than the employer's cost.

4. TRANSPORTATION PASSES

Where, in the transportation industry, an employee is given the privilege of a free pass or reduced fares for himself and his family on vehicles operated by his employer, he is not regarded as receiving a taxable benefit.

5. TRANSPORTATION TO THE JOB

Employers sometimes provide vehicles for transporting their employees from pick-up points to the location of employment, usually when it is not practical or possible to use public or private vehicles. In these circumstances the employees are not regarded as receiving a taxable benefit.

6. LOANS

Where an employer lends money to an employee without interest, or at an unusually low rate of interest, he is not regarded as conferring a taxable benefit on the employee except, if the employer is a company and the employee is a shareholder. In this latter circumstance it is likely that such a loan would be considered as conferring taxable benefit.

7. RECREATION FACILITIES

Usually where recreational facilities are maintained by the employer and made available for use of employees generally the value of any benefit derived by any employee is not taxable.

8. REMOVAL EXPENSE

Where an employer reimburses an employee for the expenses incurred by the latter in moving himself, his family and his household effect, the payment will not normally be regarded as a taxable benefit.

GENERAL

Most of the more common "benefits" have been included. Any situations, which vary from the normal, or any situations not covered will be decided by the Department.


If in doubt refer the problem to an officer of the Income Tax Department.

Appendix 1 (FormDocs – Summary and Supplementary Statement)

FormDocs Filler - TD4 SUMMARY

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TD4 SUMMARY
 Return of Emoluments Paid
 For the Year Ending December 31st,

Name and Address of Employer

Tax I.D. No.

EMOLUMENTS PAID, (as shown on form's TD4 supplementary)
 EMOLUMENTS PAID, (amount less than 20,000 but an employee worked 52 weeks for which a list is attached)
 CASUAL WAGES PAID, (amount under \$200 from which no tax was deducted)
 TOTAL EMOLUMENTS PAID IN THE YEAR
 TOTAL INCOME TAX WITHHELD

CERTIFICATION

I HEREBY CERTIFY that the information given in this return, TD4 Summary and related Supplementaries is true, correct and complete in every respect.

Date Signature of Authorized Person Position or Office

See instructions in the "Employee's and Trustee's Tax Guide".

Mail or deliver Copies 1 and 2 of this Summary along with copies 1 and 2 of all related Supplementaries to the Income Tax Department or deliver to the nearest District Office.

FOR OFFICIAL USE ONLY
POST:


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FormDocs Filler - STATEMENT OF EMOLUMENTS PAID 13

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BELIZE
 INSTRUCTIONS

**Statement of Emoluments Paid
 FOR INCOME TAX PURPOSES
 TD 4 SUPPLEMENTARY -**
FOR INCOME TAX DEPT. 1

Employee, Name and Address


Employer, Name and Address

Social Security No. (E) Tax Withheld (B) No. of Weeks Employed (C) Tax Identification No.

(D) Total Emoluments (F) Taxable Benefits (G) Commissions

Box (D) amounts must include any amounts shown in Box (F) or (G)

Total Tax Withheld Total Emoluments


**Statement of Emoluments Paid
 FOR INCOME TAX PURPOSES
 TD 4 SUPPLEMENTARY -**

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