

deducted and your total income was below the **threshold** of \$20,000.00. You **must** file a return for you to receive this refund. Enter this amount at Lines 90/110.

You have a **balance owing** when the tax payable is more than the tax deducted from your income.

Any balance owing is to be paid by 31st March.

Tax Computation:

16. Tax is calculated on the **CHARGEABLE INCOME** only. The chargeable income is: Total Income (Line 1) minus Total Deductions (Line 35).

Example 1:

Taxpayer X:	Total Income:	\$32,000.00
	Claim for Charitable Relief	\$3,000.00
	Tax deducted at source:	\$2,600.00

Computation:

Total Income	\$32,000.00
Less: Basic Personal Relief	\$19,600.00
Charitable Relief (Max. - See Item 10)	<u>\$ 2,066.67</u>
Chargeable Income	\$10,333.33

Tax:	10,333.33 x .25 = \$2,583.33
Less: Standard Tax Deduction:	<u>\$ 100.00</u>
Tax payable:	\$2,483.33
Less Tax deducted at source:	<u>\$2,600.00</u>
Refund due	<u>\$ 116.67</u>

Example 2:

Taxpayer Y:	Total Income: \$40,100.00
	Claim for contribution to education:
	Niece attending Gwen Liz \$500.00
	Tax deducted at source \$3500.00
	Filed return and paid balance on 25 th June

Computation:

Total Income	\$40,100.00
Less: Basic Personal relief	\$19,600.00
Education Relief (See Item 11)	<u>\$ 400.00</u>
Chargeable Income	\$20,100.00
Tax (20,100.00 x 25%)	\$ 5,025.00
Less: Standard tax deduction	<u>\$ 100.00</u>
Tax Payable	\$ 4,925.00
Less: Tax deducted at source	<u>\$ 3,500.00</u>
Balance of Tax Due (Line 90)	\$ 1,425.00
Late Filing Penalty (3 months at 3%)	
\$1,425.00 x 9%	\$ 128.25
Interest (3 months at 1.5%)	
\$1,425.00 x 4.5%	<u>\$ 64.13</u>
Total Due and Payable (Line 110)	<u>\$ 1617.38</u>

Note: The education relief is limited to \$400.00 per child.

Where to File:

Returns may be filed and payment of tax made at the following offices:

- Income Tax Department, Mahogany Street, Belize City
- Income Tax Department, Trinity Blvd, Belmopan
- Income Tax Department, 5th Avenue, Corozal Town
- Income Tax Department, 59 Commerce Street, Dangriga Town
- Sub-treasuries in – Orange Walk Town
- San Ignacio Town
- Punta Gorda Town



Guide to the Completion of the EMPLOYEE Income Tax Form

This guide should be read along with the newly designed form:

INCOME TAX RETURN FOR EMPLOYEES

Please Note

If you have worked for more than one employer during the course of the year, be sure to get your TD4 slips from all your employers, regardless of the period of time worked, or the amount earned.

Only one return is to be filed for each basis year (January to December), and should include all your income from all sources.

Add extra lines at the back of the form if you have had more than six (6) employers.

The information in this guide reflects changes from 1st January, 1999.

General Information

1. The form should be **completely** filled out. Please make sure that you have inserted:
 - * The Basis Year in the heading;
 - * Your full name and date of birth, to distinguish you from another taxpayer with the same name;
 - * Your mailing address: remember that the mail is sent registered. Use your work address if there is no one at home to receive the mail during the daytime;
 - * Your present position and employer:
Example- (a) Position: Broker;
(b) Employer: Emerald Imports
2. Attach **COPY 3** of all TD4 supplementaries/slips. This is the coloured copy of the slips you were given by your employer(s). Keep the white slip (copy 4) for your records.

Threshold

3. If your income from all sources combined was less than \$20,000.00, you should not have paid income tax. If tax was deducted from your income you may claim a refund at the end of the year.

Filing Date

4. **The filing due date for the Income Tax Return is 31st March**, unless otherwise approved by the Commissioner of Income Tax. If your return is going to be late for any reason, you must apply before 31st March for approval to file at a later date.

Penalties and Interest

5. The penalties for not filing and paying as required are as follows: (Line 100, 101)
Late Filing Penalty: You are charged a penalty of 3% of the balance of tax due, for each month, or part of the month, that your return is late, minimum of \$10.00.
Interest Charges: Once you have a balance of tax after 31st March, **you are charged interest on this balance at the rate of 1.5% per month**, until final payment is made.

Part A: INCOME (See back of form)

6. Insert the information from the TD4 Slips as requested here, one line per TD4, and any other income for which you did not receive a TD4.
7. Total the 'EARNINGS' column and carry this figure to Line 1 on the front of the form.
8. If you have property on rent, and your salary combined with this is \$1,650.00 or more, you are required to file and pay **Business Tax** on the rental, regardless of the amount received monthly.

Part 2: Deductions

9. Employees are allowed to deduct from their total income (Line 1) the following:

*Basic personal Relief (Line 30) \$19,600.00
*Charitable contributions (Line 31) see notes below.
*Contribution to education (Line 31) see notes below.

Charitable Relief

10. Charitable relief must be for contributions to cultural, educational or religious activities, or to charitable institutions, or for the improvement of facilities in towns and villages, **IN BELIZE**. **Original** receipts/acknowledgements must be submitted for the Commissioner to allow the claim.

The **minimum** to be claimed is **\$250.00**, and the **maximum** is **one-sixth** of your **chargeable income** after deducting the basic personal relief.

Example: Total income \$32,000.00
Less Personal relief \$19,600.00
Chargeable income \$12,400.00

Maximum allowable relief:
 $1/6 \times 12,400.00 = \underline{\underline{\$2,066.67}}$

Education Relief

11. You are allowed to claim for Contributions to the education of children who are not your own and who are attending school full-time.
 - * Claim limited to \$400.00 per child
 - * Total claim under this heading limited to \$1,600.00
 - * You may not claim for your own child (this is covered under Basic Personal Relief).

Total all allowable charitable and education relief and insert at **Line 31**.

Rate of Tax:

12. The rate of Tax is 25%.(Line 50).You are to multiply the Chargeable Income by the rate of tax to get the total tax payable.

Example: \$10,333.33 x 25% = \$2583.33

Standard Tax Deduction

13. You are to deduct **up to \$100.00** from your tax payable.(Line 55) This is a credit given to all taxpayers which cancels the first \$100.00 in tax. Please note: If your total tax payable is less than \$100.00, the relief is limited to that amount.

Example: Tax payable = \$65.00; Credit = \$65.00

Tax Deducted at Source

14. This is the amount of tax which is taken out of your salary by your employer. This amount is shown in Box E of your TD4 slip and is to be entered on Line 70 on your return form. If you have more than one TD4 slip, total all the amounts in Box E, then put this figure on Line 70 of your return form.

Refund Due/Balance Owing

15. A **refund** becomes due when the tax payable is less than the tax deducted from your income, or if you had tax