



TAX EXEMPTION GUIDE

FOR THE

TOURISM SECTOR

Prepared by: Tax Advisory Services Section,
Guyana Revenue Authority (Revised October 2019)

NB: THIS BOOKLET IS NOT A SUBSTITUTE FOR THE LAW.
THE LAW SHALL PREVAIL IN CASE OF ANY INADVERTENT CONFLICT.

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TAX EXEMPTION GUIDE FOR THE TOURISM SECTOR

(Revised October, 2019)



INTRODUCTION

Guyana's tourism industry is a substantial foreign exchange earner and a source of employment. Diverse individuals, agencies and interest groups have expressed eager interest in our sustainable tourism product. This booklet was done with the general intention to support the tourism industry so that its true potential and benefits are realized.

The information provided in this booklet defines the beneficiaries of tax concessions and the level of tax concessions which are available to the various categories of stakeholders. It is the fervent hope of the Authority that the information contained in this booklet gives clarity on the statutes, rules and procedures which would apply to the grant of tax exemptions to the tourism sector.

To provide clarity, for the avoidance of doubt and to ensure fairness in the application of the relevant laws in the tourism sector, the following shall apply:

1. NEW HOTELS, GUEST HOUSES AND INNS - means a new multi-room structure which did not exist before and is now being built. It can also be a new multi-room structure not attached to an existing structure in the same compound.

2. EXPANSION OF HOTELS, GUEST HOUSES AND INNS - means the addition of new guest rooms with amenities to an existing facility that may simultaneously increase its recreational capacity.

3. NEW LODGES OR RESORTS - means a new multi-room structure which did not exist before and is now being built. It can also be a new multi-room structure not attached to an existing structure in the same compound.

4. EXPANSION OF LODGES AND RESORTS - means the addition of new guest rooms with amenities to an existing facility that may simultaneously increase its recreational capacity.

5. EXPANSION / RE-TOOLING OF OPERATIONS OF TOUR OPERATORS - means the replacement of old equipment with new equipment for use in sports and outdoor recreational / adventure activities.



For tax exemption purposes, the tourism sector would be divided into the following sectors:

1. Accommodation - consisting of hotels, guest houses and inns;
2. Lodges and resorts; and
3. Tour operators and tour guides.

ACCOMMODATION

NEW HOTELS, GUEST HOUSES AND INNS IN REGIONS 2, 3, 4, 5 & 6

A **new building** of the types mentioned above should not have less than thirty (30) guest rooms.

TAX EXEMPTIONS FOR **NEW** HOTELS, GUEST HOUSES AND INNS IN REGIONS 2, 3, 4, 5 & 6

A new entity of this category may be eligible to the following tax exemptions specified in an Investment Agreement between the Government of Guyana and the investor:

- (a) Full customs duty exemption on the value of the investment on building materials, fittings, equipment, furnishings and appliances for equipping the entity, equipment for use in sports and motor vehicles.
- (b) Full VAT exemption on the value of the investment on building materials, equipment and appliances for equipping the entity, equipment for use in sports and motor vehicles.
- (c) Full excise tax exemption on the value of each motor vehicle.

QUALIFYING CONDITIONS

- (1) Facility to be approved by the relevant agencies - Central Housing and Planning Authority, Environmental Protection Agency, etc.
- (2) Business registration to be submitted.
- (3) Evidence of title to land or lease of land.
- (4) Evidence of financing for the project.
- (5) Plan for works and completion of project.
- (6) Entity must be licensed by the Guyana Tourism Authority.
- (7) Must be tax compliant.
- (8) Valid Investment Agreement between the Government of Guyana and the investor.

NEW HOTELS, GUEST HOUSES AND INNS IN REGIONS 1, 7, 8, 9, & 10

A new building of the types mentioned above should not have less than fifteen (15) guest rooms.

TAX EXEMPTIONS FOR NEW HOTELS, GUEST HOUSES AND INNS IN REGIONS 1, 7, 8, 9, & 10

A new entity of this category may be eligible to the following tax exemptions specified in an Investment Agreement between the Government of Guyana and the investor:

- (a) Full customs duty exemption on the value of the investment on building materials, fittings, equipment, furniture and appliances for equipping the entity, equipment for use in sports and motor vehicles.
- (b) Full VAT exemption on the value of the investment on building materials, equipment and appliances for equipping the entity, equipment for use in sports and motor vehicles.
- (c) Full excise tax exemption on the value of each motor vehicle.
- (d) Section 2 (1) of the Income Tax (In Aid of Industry) Act states that, once creating employment, the Minister **may** grant exemption from corporation tax for a period up to a maximum of ten years - Such exemption would be recommended by Go-Invest and would not be included in an Investment Agreement.

QUALIFYING CONDITIONS

- (1) Facility to be approved by the relevant agencies - Central Housing and Planning Authority, Environmental Protection Agency, etc.
- (2) Business registration to be submitted.
- (3) Evidence of title to land or lease of land.
- (4) Evidence of financing for the project.
- (5) Plan for works and completion of project.
- (6) Entity must be licensed by the Guyana Tourism Authority.
- (7) Must be tax compliant.
- (8) Valid Investment Agreement between the Government of Guyana and the investor.



EXPANSION OF HOTELS, GUEST HOUSES AND INNS IN ALL REGIONS

Expansion of new hotels, guest houses and inns means that the entity has to increase its guest rooms capacity by adding more rooms to its current complement. For entities in Regions 1,7, 8, 9 and 10 the current complement of guest rooms has to be increased by **no less than 3 rooms**. For the other regions, the current complement of guest rooms has to be increased by **no less than 5 rooms**.



TAX EXEMPTIONS FOR EXPANSION OF HOTELS, GUEST HOUSES AND INNS IN ALL REGIONS

An entity of the category mentioned above may be eligible to the following tax exemptions every five years on the items specified in an Investment Agreement between the Government of Guyana and the investor:

- (a) Full customs duty exemption on fifty percent (50%) of the value of the investment on building materials, fittings, equipment, furnishings and appliances for equipping the extended part of the entity.
- (b) Full VAT exemption on fifty (50%) of the value of the investment on building materials, equipment and appliances for equipping the extended part of the entity.

NOTE: NO VEHICLES ARE INCLUDED

QUALIFYING CONDITIONS

1. Approvals for such extension must be obtained from the relevant agencies.
2. Entity must be licensed by the Guyana Tourism Authority.
3. Applicant must be tax compliant.
4. Valid Investment Agreement between the Government of Guyana and the investor.



LODGES AND RESORTS

In accordance with the Guyana Tourism Authority (Lodges and Resorts) Regulations 19 of 2008, the following definitions shall apply to 'lodges' and 'resorts':

LODGE means a -

- (a) small rustic house used as a temporary shelter;
- (b) hostel providing overnight lodging for travellers;
- (c) hotel, especially with a rustic or wilderness theme, situated outside the urban area with cabins or rooms with private or shared bathrooms;
- (d) building, often in a resort or camp setting, providing sleeping accommodation, meeting rooms and restaurants;
- (e) detached residence with a group of adjoining single bedrooms of uniform style with shared adjacent common areas; or
- (f) rustic house or inn that is located in a remote area.

RESORT means a place -

- (a) used for relaxation or recreation, generally distinguished by a large selection of activities, such as food, drink, lodging, sports, entertainment and shopping; or
- (b) where all accommodation, services and entertainment are under one roof and can vary from luxury, economy, nature or ecotype facilities.



TAX EXEMPTIONS FOR LODGES AND RESORTS

A **new lodge or resort** in Regions 1, 7, 8, 9 and 10 should have no less than eight (8) rooms, those in Regions 2, 3, 5 and 6 should have no less than fifteen (15) rooms and those in Region 4 should have no less than thirty (30) guest rooms. These entities may be eligible to the following tax exemptions specified in an Investment Agreement between the Government of Guyana and the investor:

- (a) Full customs duty exemption on the value of the investment on building materials, fittings, equipment, furniture and appliances for equipping the entity, equipment for use in sports and motor vehicles.
- (b) Full VAT exemption on the value of the investment on building materials, equipment and appliances for equipping the entity, equipment for use in sports and motor vehicles.
- (c) Full excise tax exemption on the value of each motor vehicle.
- (d) Section 2 (1) of the Income Tax (In Aid of Industry) Act provides for the exemption from corporation tax for a period up to a maximum of ten years - **and would apply ONLY to those entities in Regions 1, 7, 8, 9 and 10. Such exemption may be recommended by Go-Invest and would not be included in an Investment Agreement.**

QUALIFYING CONDITIONS

- (1) Facility to be approved by the relevant agencies - Central Housing and Planning Authority, Environmental Protection Agency, etc.
- (2) Business registration to be submitted.
- (3) Evidence of title to land or lease of land.
- (4) Evidence of financing for the project.
- (5) Plan for works and completion of project.
- (6) Entity must be licensed by the Guyana Tourism Authority.
- (7) Must be tax compliant.
- (8) Valid Investment Agreement between the Government of Guyana and the investor.

EXPANSION OF LODGES AND RESORTS IN ALL REGIONS

Expansion of lodges and resorts means that the entity has to increase its guest rooms capacity by adding more rooms to its current complement. For lodges and resorts in Regions 1, 7, 8, 9 and 10 the current complement of guest rooms has to be increased by at least 25%. For the other Regions, the current complement of guest rooms has to be increased by at least 30%.

TAX EXEMPTIONS FOR EXPANSION OF LODGES AND RESORTS IN ALL REGIONS

An entity of the category mentioned above may be eligible to the following tax exemptions every five years on the items specified in an Investment Agreement between the Government of Guyana and the investor:

(a) Full customs duty exemption on fifty percent (50%) of the value of the investment on building materials, fittings, equipment, furnishings and appliances for equipping the extended part of the entity.

(b) Full VAT exemption on fifty percent (50%) of the value of the investment on building materials, equipment and appliances for equipping the extended part of the entity.

NOTE: NO VEHICLES ARE INCLUDED

QUALIFYING CONDITIONS

- (1) Approvals for such extension must be obtained from the relevant agencies.
- (2) Entity must be licensed by the Guyana Tourism Authority.
- (3) Applicant must be tax compliant.
- (4) Valid Investment Agreement between the Government of Guyana and the investor.

NOTE: NO VEHICLES ARE INCLUDED

TOUR OPERATORS AND TOUR GUIDES

In accordance with the Guyana Tourism Authority (Tour Operators) Regulations 17 of 2008, the following definitions shall apply to ‘tour operator’, ‘tourist guide’ and ‘tour’:

TOUR OPERATOR means an individual or a company that provides a range of tour services for the international or domestic tourism market. The operator must be licensed by the Guyana Tourism Authority and comply with the provisions outlined in the Guyana Tourism Authority (Tour Operator) Regulations 17 of 2008.

A small tour operator is deemed to be one or two persons (commonly referred to as outfitters) providing tours but it is not necessary for such person(s) to have an office.

A medium operator consists of three or more persons with an office providing tours and other related services such as airport pick-up and drop-off services, guided activities, and transportation. They may offer accommodation as part of the package they offer.

A large operator would exceed five persons with an office. Such an operator would extend the same services as a medium operator but they would have international representatives and external collaboration with other agencies. They may offer accommodation as part of the package they offer.

TOURIST GUIDE means an individual who is licensed by the Authority to guide a tour party, provide general information, interpret, indicate and inform on items of interest along the way or at a tourist attraction or destination.

TOUR means any pre-arranged journey to one or more destination provided by a tourist guide or tour operator for remuneration.

TAX EXEMPTIONS FOR TOUR OPERATOR

A **new tour operator who was not granted tax exemptions during the last five years may be eligible** to the following tax exemptions specified in an Investment Agreement between the Government of Guyana and the investor:

- (a) Full customs duty exemption on 50% of the value of the investment on camping equipment (sleeping tents and bags, pads or cots) floating crafts which includes a vessel which is propelled on water by an engine, oars or sail, kayaks, inflatable rafts, canoes, stand up paddle boards, pedal boards and similar self-propelled crafts and non-motorised collapsible mobile lodging with basic amenities (e.g. seating, lighting, etc) and each motor vehicle. The exemption on the vehicle would apply to small, medium and large tour operators.
- (b) Full VAT exemption on 50% of the value of the investment on camping equipment (sleeping tents and bags, pads or cots) floating crafts which includes a vessel which is propelled on water by an engine, oars or sail, kayaks, inflatable rafts, canoes, stand up paddle boards, pedal boards and similar self-propelled crafts and non-motorised collapsible mobile lodging with basic amenities (e.g. seating, lighting, etc.) and each motor vehicle. The exemption on the vehicle would apply to small, medium and large tour operators.
- (c) Full excise tax exemption on fifty percent (50%) of the value of each motor vehicle. The exemption on the vehicle would apply to small, medium and large tour operators.
- (d) Section 2 (1) of the Income Tax (In Aid of Industry) Act makes provision for the exemption from corporation tax for a period up to a maximum of ten years - and would apply ONLY to those entities in Regions 1, 7, 8, 9 and 10 although their office may be elsewhere. Such exemption would be recommended by Go-Invest and would not be included in an Investment Agreement.



TAX EXEMPTION GUIDE FOR THE TOURISM SECTOR

QUALIFYING CONDITIONS

- (1) Facility to be approved by the relevant agencies - Central Housing and Planning Authority, Environmental Protection Agency, etc.
- (2) Business registration to be submitted.
- (3) Evidence of title to land or lease of land.
- (4) Evidence of financing for the project.
- (5) Plan for works and completion of project.
- (6) Entity must be licensed by the Guyana Tourism Authority.
- (7) Must be tax compliant.
- (8) Valid Investment Agreement between the Government of Guyana and the investor.

NOTE: NO EXEMPTIONS FOR TOUR GUIDES.

TAX EXEMPTIONS FOR EXPANSION / RE-TOOLING OF OPERATIONS OF TOUR OPERATORS

In keeping with safety regulations and quality assurance, to provide comfort and to enhance the level of services provided to consumers, the following tax exemptions specified in an Investment Agreement between the Government of Guyana and the investor may be granted to tour operators every five years:

- (a) Full customs duty exemption on fifty percent (50%) of the value of the investment on camping equipment (sleeping tents and bags, pads or cots), floating crafts which includes a vessel that is propelled on water by an engine, oars or sail, kayaks, inflatable rafts, canoes, stand up paddle boards, pedal boards and similar self-propelled crafts and non-motorised collapsible mobile lodging with basic amenities (e.g. seating, lighting, etc).
- (b) Full VAT exemption on fifty percent (50%) of the value of the investment on camping equipment (sleeping tents and bags, pads or cots) floating crafts which includes a vessel that is propelled on water by an engine, oars or sail, kayaks, inflatable rafts, canoes, stand up paddle boards, pedal boards and similar self-propelled crafts and non-motorised collapsible mobile lodging with basic amenities (e.g. seating, lighting, etc.).

- (c) Full duty, excise tax and VAT exemption on twenty-five percent (25%) of the value of each motor vehicle.
- (d) Section 2 (1) of the Income Tax (In Aid of Industry) Act makes provision for the exemption from corporation tax for a period up to a maximum of ten years - and would apply ONLY to those entities in Regions 1, 7, 8, 9 and 10. Such exemption may be recommended by Go-Invest and would not be included in an Investment Agreement.

QUALIFYING CONDITIONS

- (1) Approvals for such extension must be obtained from the relevant agencies.
- (2) Entity must be licensed by the Guyana Tourism Authority.
- (3) Applicant must be tax compliant.
- (4) Valid Investment Agreement between the Government of Guyana and the investor.

APPLICATION OF TABLE A-18 OF THE EXCISE TAX REGULATIONS TO THE TOURISM SECTOR

Excise tax on motor vehicles contained in this table applies specifically to motor vehicles for the tourism sector AND SUCH EXEMPTION WOULD NOT BE SUBJECT TO AN INVESTMENT AGREEMENT BETWEEN THE GOVERNMENT OF GUYANA AND THE INVESTOR. Such exemptions are available to hotels, inns, guest houses, resorts, lodges and tour operators once every five years.



The following shall apply:

TABLE A-18		
Relief for Tourism Sector	<p>Motor (1) vehicles that are shown to the satisfaction of the Commissioner-General to be used exclusively overland in the Tourism Industry in Regions 1, 7, 8, 9 and 10 for the transport of persons for incorporated entities that have been in operation for at least five years –</p> <p>(a) in the case of vehicles less than four years old of a cylinder capacity corresponding to tariff headings 8703.23.40.00, 8703.32.40.00, 8703.33.90.00, 8703.90.00.00 and 8703.24.90.00 shall be exempt from the payment of excise tax;</p> <p>(b) for vehicles four years old and over the following formula shall apply –</p>	
	Engine Capacity	Duty Excise
	>2000cc but ≤ 3000cc	0% For Tariff Headings: 8703.23.40.00 8703.32.40.00 8703.33.90.00 8703.90.00.00 ((CIF+US\$13,500) x35%)+US\$13,500
	>3000cc	0% For Tariff Headings: 8703.24.90.00 ((CIF+US\$14,500) x35%)+US \$14,500
<p>(2) motor buses with twelve or more seats, not exceeding four years old, used exclusively for the transportation of tourists anywhere in Guyana, and registered and licensed as a tourism operator by the Guyana Tourism Authority (GTA), shall be exempt from the payment of excise tax:</p> <p>Provided that, the GTA will verify that the said operators satisfy the registration and licensing conditions for five years subsequent to receiving any exemptions, and all such vehicles will have painted striped similar to the zoning for minibuses.</p>		

TABLE A-18 above contained in the Excise Tax Regulations maybe interpreted as reproduced in the table on page 16.

VEHICLES LESS THAN FOUR YEARS OLD - For Tourism Sector

New Tariff Heading	Engine Type	Engine Capacity	Rate of Import Duty	Rate of Excise Tax	Rate of VAT
8703.23.50.00 8703.23.60.00	Gas	Exceeding 2000 cc but not exceeding 3000 cc	45%	Exempt	14%
8703.32.24.00	Diesel	Exceeding 2000 cc but not exceeding 2500 cc	45%	Exempt	14%
8703.33.90.00	Diesel	Exceeding 2500 cc	45%	Exempt	14%
8703.40.00.00	Hybrid - gas	Not capable of being charged by plugging to external source of electric power. Exceeding 2000cc-3000cc and exceeding 3000cc	45%	Exempt	14%
8703.50.00.00	Hybrid - Diesel	Not capable of being charged by plugging to external source of electric power. Exceeding 2000cc-3000cc and exceeding 3000cc	45%	Exempt	14%
8703.60.00.00	Hybrid - Gas	Capable of being charged by plugging to external source of electric power. Exceeding 2000cc-3000cc and exceeding 3000cc	45%	Exempt	14%
8703.70.00.00	Hybrid - Diesel	Capable of being charged by plugging to external source of electric power. Exceeding 2000cc-3000cc and exceeding 3000cc	45%	Exempt	14%
8703.80.00.00	Electric	Full electric, including solar	Exempt	Exempt	14%
8703.90.00.00	LPG	Uses LPG as the source of power. Exceeding 2000cc-3000cc and exceeding 3000cc.	45%	Exempt	14%
8703.24.90.00	Gas	Exceeding 3000 cc	45%	Exempt	14%

VEHICLES FOUR YEARS OLD AND OVER - For Tourism Sector

New Tariff Heading	Engine Type	Engine Capacity	Rate of Import Duty	Rate of Excise Tax	Rate of VAT
8703.23.50.00 and 8703.23.60.00	Gas	Exceeding 2000 cc but not exceeding 3000 cc	Exempt	$[(\text{CIF} + \text{US } \$13,000) \times 35\%] + \text{US } \$13,500.$	Exempt
8703.32.24.00	Diesel	Exceeding 2000 cc but not exceeding 2500 cc	Exempt	$[(\text{CIF} + \text{US } \$13,000) \times 35\%] + \text{US } \$13,500.$	Exempt
8703.33.90.00	Diesel	Exceeding 2500 cc	Exempt	$[(\text{CIF} + \text{US } \$13,000) \times 35\%] + \text{US } \$13,500.$	Exempt
8703.40.00.00	Hybrid - gas	Not capable of being charged by plugging to external source of electric power. Exceeding 2000cc-3000cc and exceeding 3000cc	Exempt	{ (CIF+US \$13,500) X35%} +US\$13,500 Exceeding 2000cc-3000cc; { (CIF+US \$14,500) X35%} +US\$14,500 Exceeding 3000cc	Exempt
8703.50.00.00	Hybrid - diesel	Not capable of being charged by plugging to external source of electric power. Exceeding 2000cc-3000cc and exceeding 3000cc	Exempt	{ (CIF+US \$13,500) X35%} +US\$13,500 Exceeding 2000cc-3000cc; { (CIF+US \$14,500) X35%} +US\$14,500 Exceeding 3000cc	Exempt
8703.60.00.00	Hybrid - gas	Capable of being charged by plugging to external source of electric power. Exceeding 2000cc-3000cc and exceeding 3000cc	Exempt	{ (CIF+US \$13,500) X35%} +US\$13,500 Exceeding 2000cc-3000cc; { (CIF+US \$14,500) X35%} +US\$14,500 Exceeding 3000cc	Exempt

VEHICLES FOUR YEARS OLD AND OVER - For Tourism Sector Cont'd

New Tariff Heading	Engine Type	Engine Capacity	Rate of Import Duty	Rate of Excise Tax	Rate of VAT
8703.70.00.00	Hybrid - diesel	Capable of being charged by plugging to external source of electric power. Exceeding 2000cc-3000cc and exceeding 3000cc	Exempt	{ (CIF+US \$13,500) X35%} +US\$13,500 Exceeding 2000cc-3000cc; {(CIF+US\$14,500) X35%}+US\$14,500 Exceeding 3000cc	Exempt
8703.80.00.00	Electric	Full electric, including solar	Exempt	Exempt	Exempt
8703.90.00.00	LPG	Uses LPG as the source of power. Exceeding 2000cc-3000cc and exceeding 3000cc.	Exempt	{ (CIF+US \$13,500) X35%} +US\$13,500 Exceeding 2000cc-3000cc; { (CIF+US \$14,500) X35%} +US\$14,500 Exceeding 3000cc	Exempt
8703.24.90.00	Gas	Exceeding 3000 cc	Exempt	[(CIF+US \$14,000)x 35%] + US \$14,500.	Exempt



TAX EXEMPTION GUIDE FOR THE TOURISM SECTOR

QUALIFYING CONDITIONS

1. Commissioner-General must be satisfied that the motor vehicle is used exclusively in the tourism sector;
2. The operation must be in Regions 1,7, 8, 9 or 10;
3. Entity must be incorporated;
4. Company must be in operation for at least five years;
5. The vehicle must be used primarily for the transport of persons (tourists) overland in the designated regions; and
6. Applicant must be licensed by the Guyana Tourism Authority and such recommendation must be approved by the Permanent Secretary, Ministry of Business.
7. Applicant must be tax compliant.

GENERAL TAX CONCESSIONS AVAILABLE TO THE TOURISM SECTOR NOT SUBJECT TO AN INVESTMENT AGREEMENT

A. In ascertaining the chargeable income of any person who carries on or exercises any trade, business, profession or vocation, there may be allowed as a deduction such sum as the Commissioner-General may think just and reasonable as representing the amount by which the value of any building, housing machinery or used for the provision of services or warehousing owned by that person has been diminished by reason of wear and tear arising out of the use or employment of such building in the production of income. This is contained in Section 17 of the Income Tax Act, Chapter 81:01.

B. Section 2A (3) of the Income Tax Act (In Aid of Industry) Act, Chapter 81:02 makes provision for a tax credit equaling 75% of income and corporate taxes on profits shall be granted on the provision of tourism activities in regions 1, 7, 8, 9 and 10.

C. Initial allowances shall be allowed on hotel buildings in regions 1, 7, 8, 9 and 10 (-Section 3 (1A) of above legislation).In ascertaining the chargeable income of a person or company with a new hotel in regions 1, 7, 8, 9 and 10 , a deduction of 10% from total expenditure shall be granted. For an existing hotel, the 10% shall be granted on the current depreciated amount as reflected on the previous year income and expenditure and balance sheet of an individual and the corporation tax return of a company.

- D. Rate of corporation tax on a non-commercial company has been reduced from 27.5% to 25%.
- E. Customs duty is exempted on aircraft and their component parts, accessories and instruments necessary for the navigation of aircraft and tools, machinery and equipment necessary for the repair and maintenance of aircraft, admitted as such by the Commissioner-General for use by such air services and air clubs as may be approved by the Minister of Finance.
- F. Customs duty is exempted on fuel and lubricants imported or taken out of bond solely for use in aircraft.
- G. VAT is exempted on aircraft engines, main component and parts as determined by the Commissioner.
- H. VAT is zero-rated on aviation fuel.
- I. Excise tax is not payable on aviation fuel.
- J. A supply of International transport services is exempt from the payment of VAT. "International transport services means -
 - a.) the services, other than ancillary transport services, of transporting passengers or goods by road, rail, water or air
 - i.) from a place outside Guyana to another place outside Guyana where the transport or part of the transport is across the territory of Guyana;
 - ii.) from a place outside Guyana to a place in Guyana; or
 - iii.) from place in Guyana to a place outside Guyana;
 - b.) the services of transporting passengers from a place in Guyana to another place in Guyana to the extent that transport is by aircraft and constitutes "international carriage" as defined in Article 3 of the Convention on International Civil Aviation;
 - c.) the services, including any ancillary transport services of transporting goods from a place in Guyana to another place in Guyana to the extent that those services are supplied by the same supplier as part of the supply of services to which paragraph (a) applies.

- K. Supplies of Common User Terminal Equipment (CUTE) fee, airport security fee and passenger screening fee are exempt from VAT.
- 1.CUTE fee means fees charged for using the airport check in counters, flight information display system, conveyor system and the airline check in systems inclusive of the boarding gates.
- 2.AIRPORT SECURITY FEE is the fee charged for use of staff and equipment to screen passengers at all access control points and gates inclusive of the Hold Baggage Screening.
- 3.PASSENGER SCREENING FEE is the fee charged for screening all departing passengers at the main screening point of the airport.
- L. Boats used in rural and riverain areas designed for the transport of goods and persons not exceeding 7.08 cubic metres (250 cubic feet), proven to the satisfaction of the Commissioner are exempt from VAT.
- M.Outboard motors not exceeding 75 horse power (HP) are free of import duty
- N.Motor Vehicle Licence - Free Motor Vehicle Licence will be provided to owners for motor buses which operate in regions 1, 7, 8 and 9.

QUALIFYING CONDITIONS TO BE SATISFIED TO QUALIFY FOR FREE VEHICLE LICENCE

- a. The vehicle owner (individuals or businesses) must be tax compliant for the last eight years.
- b. The address of the registered owner of the vehicle must be in region 1, 7, 8 and 9.
- c. The vehicle must be used principally to transport passengers in regions 1, 7, 8 and 9 and must be 'zoned' to operate in any one of the regions aforementioned.

QUALIFYING CONDITION

1. Taxpayer must be tax compliant.

TAX CONCESSION AVAILABLE TO THE TOURISM SECTOR SUBJECT TO AN AGREEMENT - VAT ON AIR TRANSPORT

Paragraph 13 (c) of Schedule 11 of the Value-Added Tax Act, Chapter 81:05 exempts VAT on the services of transporting passengers or goods by air from one place in Guyana to another place in Guyana subject to the signing of an agreement between the Government and the provider of the service for persons living in rural areas.

CONDITIONS TO BE COMPLIED WITH

The following would determine the application of this exemption:

1. There must be a valid 'Local Air Operators Agreement' between the Government of Guyana and the provider of the service;
2. This Agreement must be renewed at the end of every calendar year;
3. The provider of the service must be tax compliant before the next Agreement is signed. This means that the provider of the service must produce a tax compliance certificate issued by the Guyana Revenue Authority to validate its compliance.
4. VAT would not apply on airfare to transport passengers or goods to or from the airstrips specified in the 'Local Air Operators Agreement';
5. The persons entitled to such exemption must be currently living in the areas specified in the Agreement. The phrase 'currently living' means permanently living and would also apply to a person who perpetually lives in the area because of work commitment;
6. The exemption would not apply to former residents who are not living in the specified areas and who may be travelling to the area on a temporary basis;
7. If the person has a business in any of the specified areas, travels frequently to the area but is not living there, the exemption would not apply;
8. VAT would also be exempt on airfares to transport passengers or goods to or from any other rural airstrips not included in the specified list provided that satisfactory evidence is submitted to the service provider that the passenger is living in the rural area;
9. For passengers or goods to qualify for VAT exemption on the airfares to or from the specified rural airstrips or any other rural airstrips, satisfactory evidence must be submitted to the air service operator that the person utilizing the services

lives in the rural area. The evidence to be submitted includes, but is not limited to:

- a. a current utility bill in the name of the resident;
- b. a 7B slip (indicating their place of employment) from their current employer;
- c. TIN certificate;
- d. mortgage statement; and
- e. letter from Toshao verifying current residency;

10. If a person lives in one of the specified areas or any other rural area and travels to or from these areas to conduct the business of a company, VAT would apply on such airfare. The legislation specifically states that the benefit of this exemption is for persons living in rural areas and not a business entity; and

11. It is incumbent on the air service provider to keep records of residency of all persons who may be exempt from the payment of VAT on airfares to or from rural areas.

12. The following airstrips would be deemed to be the 'VAT EXEMPT AIRSTRIPS' to which this exemption would apply:

NO.	Airstrip	Code	Region
1	Achiwib	ACB	9
2	Aishalton	AIS	9
3	Annai	ANA	9
4	Apoteri	APO	9
5	Arau	ARA	7
6	Awaruwaunawa	AWA	9
7	Ayanganna New	AYN	8
8	Baramita	BTA	1
9	Bashaidrum	SYUM	9
10	Bemichi	BHC	2
11	Chenpau	CNP	8
12	Chi Chi West	CHW	7
13	Chinaweing	CWE	7
14	Chiung Mouth	CHU	8

NO.	Airstrip	Code	Region
15	Dadanawa	DAD	9
16	Eagles Mare	EGM	8
17	El Dorado	ELD	8
18	Good Hope	GHP	4
19	Gunns	GUN	9
20	Imbaimadai	IMB	7
21	Iwokrama	IWO	9
22	Kaikan	KKN	7
23	Kamana	KMA	8
24	Kamarang	KAM	7
25	Kanapang	KAN	8
26	Karanambo (I)	KBI	9
27	Karanambo (O)	KBO	9
28	Karasabai	KBF	9
29	Kato	KTO	8
30	Kurukubaru	KKU	8
31	Lumid Pau	LPU	9
32	Maikwak	MWK	8
33	Maruwanawa	MWA	9
34	Monkey MOUNTAIN	MMT	8
35	Mountain Point	MPT	9
36	Muruwa	MUR	8
37	Orinduik	ODK	8
38	Parabara	PBA	9
39	Paramakatoi	PMT	8
40	Paruima	PRA	7
41	Phillipai	PHI	7
42	Pirara	PIR	9

NO.	Airstrip	Code	Region
43	Sand Creek	SCK	9
44	Santa Cruz	N/A	9
45	Shea	SHE	9
46	Surama	SUR	9
47	Taruka	TAR	8
48	Tusenen	TUS	8
49	Uewang	UWG	8
50	Wakadanawa	WDA	9
51	Waramadog	WAR	7
52	Wichabai	WCH	9
53	Yoroungparu	YOR	1
54	Kopinang	KOP	8

PROCEDURE TO ACCESS TAX EXEMPTION

1. The applicant must write to the Commissioner-General, indicating his intention to enter into a 'Local Air Operators Agreement' with the Government of Guyana to provide services of transporting passengers or goods by air from one place in Guyana to another place in Guyana for persons living in rural areas.
2. Once satisfied that the applicant has satisfied their tax obligations or made arrangements satisfactory to the Commissioner-General to satisfy such obligations, the Guyana Revenue Authority would issue three copies of the formatted Agreement to the applicant for a director, secretary or owner to complete and sign.
3. The signed copies of the Agreement would be returned to the Guyana Revenue Authority and, if satisfied, forward same to the Honourable Minister of Finance for his signature.
4. The Guyana Revenue Authority would issue the provider of the service with a copy of the valid Agreement.

TAX CONCESSION AVAILABLE TO THE TOURISM SECTOR SUBJECT TO THE SIGNING OF AN AGREEMENT.

In accordance with Paragraph 13 (b) of Schedule 11 of the Value-Added Tax Act, Chapter 81:05, VAT is exempt on river and land crossing services subject to the signing of an agreement between the provider of the service and the Government of Guyana.

CONDITIONS TO BE COMPLIED WITH

1. There must be a valid Agreement between the Government of Guyana and the provider of the service;
2. The Agreement must be renewed at the end of every calendar year;
3. The provider of the service must be tax compliant before the next Agreement is signed. This means that the provider of the service must produce a tax compliance certificate issued by the Guyana Revenue Authority to validate its compliance; and
4. VAT would not apply on the supply of river and land crossing services for passengers and goods at the locations specified in the Agreement;

PROCEDURE TO ACCESS TAX EXEMPTION

5. The applicant must write to the Commissioner-General, indicating his intention to enter into an Agreement with the Government of Guyana to provide river and land crossing services in the areas listed in the correspondence.

6. Once satisfied that the applicant has satisfied their tax obligations or made arrangements satisfactory to the Commissioner-General to satisfy such obligations, the Guyana Revenue Authority would issue three copies of the formatted Agreement to the applicant for a director, secretary or owner to complete and sign.

7. The signed copies of the Agreement would be returned to the Guyana Revenue Authority and, if satisfied, forward same to the Honourable Minister of Finance for his signature.

The Guyana Revenue Authority would issue the provider of the service with a copy of the valid Agreement.

GENERAL NOTES TO THIS GUIDE

1. Where it is not specified, the motor vehicles referred to in this policy are those which are classified in the Common External Tariff as the single cab, extended cab and double cab.
2. The Guyana Revenue Authority, Go-Invest and the Guyana Tourism Authority can independently or collectively monitor and conduct post verification exercises and share information to verify that stakeholders who were granted tax concessions comply with the conditions under which such concessions were granted.
3. This policy is subject to be reviewed every three years by the Guyana Revenue Authority or at any other time as determined by the Commissioner-General.

Guyana Revenue Authority Headquarters

200-201 Camp Street, Georgetown
(592) 227-6060 or 227-8222

Tax Advisory Services: Exts. 1201 - 1204

Public Relations Unit: Exts. 4203-4205, 4208-4209

INTEGRATED REGIONAL TAX OFFICES

Anna Regina

Takuba Lodge, Anna Regina,
Essequibo Coast
(592) 771-5266, 771- 5277, 771-4953

Bartica

15 5th Avenue and 2nd Street,
Bartica
(592) 455-3205

Corriverton

Lot 80 Calcairn Street, Skeldon,
West Coast Berbice
(592) 333-2324, 333-2948, 333-4898, 333-3524, 333-3220

Lethem

Commercial Block 9 (CB9),
Lethem, Rupununi, Region 9
(592) 772-2257, 772-2263

Linden

Causarina Drive,
Watooka
(592) 444-2905, 444-2918, 444-2905

New Amsterdam

Lot 5 Strand, New Amsterdam,
Berbice
(592) 333-4899, 333-2948, 333-4898, 333-3524, 333-3220

Parika

Lot 164-166 Parika,
East Bank Essequibo
(592) 260-4981, 260-4046, 260-4044

Mabaruma

Regional Administrative Office/Regional Democratic Council
Mabaruma Compound
Region 1



CONTACT US:

Telephone No. 227-6060 or 227-8222,
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Communication & Tax Advisory Services Division,
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200-201 Camp Street, Georgetown.

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