



Revenue Collection Division

**INSTRUCTIONS FOR COMPLETING
VALUE ADDED TAX (VAT) RETURN**

The return form allows a **registered person** to make a Value Added Tax (VAT) return, either monthly, quarterly or annually, as required by the VAT Decree.

Please note that if you are required to register under the VAT Decree, you must register **before** you complete the return. You can register by completing the Application for Registration form, and lodge it at a FRCA office listed at the end of these instructions.

IMPORTANT: After the VAT return is completed, it must be lodged with FRCA and any tax paid, by the last day of the month after the end month of the return. Penalties apply for late lodgement of returns or late payment of tax.

Complete the VAT return form in black or blue pen. **PRINT CLEARLY.** A typewriter may also be used.

There are **3 main steps** in completing this return:
1. Work out your Total Output Tax
2. Work out your Total Input Tax
3. Work out your tax payable or refund due

(Tax is payable if Total Output Tax is higher than Total Input Tax).

Section A: Business Details

- your Tax Identification Number (TIN);
- your name;
- your mailing address for VAT purposes;
- business location;
- taxable activity and
- the period for which the return is being made. A return for March 2008 by a monthly taxpayer, for example, would be written as:

Year – “2008”
Start month – March
End month – March.

A return for a quarterly taxpayer whose taxable period ended in March 2008 would, for example, be written as:

Year – “2008”
Start month – “January”
End month – “March”

A 2008 return for an annual taxpayer (for cane farmers only) would, for example, be written as:

Year – “2008”
Start month – “January”
End month – “December”

Section B: Sales/Income

This part of the return is used for calculating your amount of Output Tax for the taxable period.

If the figure for any of the boxes is nil write “Nil” in that box.

Note: If your total sales/income for the period is NIL, you must attach a sheet explaining the reasons for this. This sheet must be signed by you.

Item 1 – Total Taxable Supplies

Write in this box the total taxable supplies made by you during the period, inclusive of VAT.

Item 2 – Insurance Indemnity Payments Received

Write in the box the total insurance indemnity payments received during the period.

Item 3 – Sale of Business Assets

Write in the box the total value of any or all business assets (VIP) sold during the period.

Item 4 – Total of Lines 1 to 3

Write the total of lines 1 to 3 in the box.

Item 5 – Zero-Rated Supplies

Write in this box the total amount of zero-rated supplies made by you during the period, included in the “Total Taxable Supplies” amount.

Note: Vat Registered persons who are also registered as an exporter are to declare any local sales for the period in item 6 below.

Item 6 – Total Supplies Subject to VAT

Deduct the amount at Item 5 from the amount at Item 4, and write the result in the box 6. This will give you the figure for total supplies subject to VAT for the period.

Item 7 – VAT charged by you

Multiply the figure in Item 6 by 3/23, and write the result in the box 7. This will give you the figure for VAT charged by you for the period.

Item 8 - VAT Output Adjustments

Write in this box the total of all the following amounts for the period, if any:

- VAT on goods and services taken for private use
- VAT on goods and services appropriated to non-taxable use other than private use
- VAT on barter transactions
- VAT on fringe benefits provided to employees
- VAT on bad debts recovered
- VAT on insurance indemnity payments received
- VAT on assets retained at the time of ceasing to be registered
- VAT on debit notes issued
- VAT on credit notes received
- VAT payable due to a change in accounting basis.

Item 9 – Total Output Tax

Add the amounts at Items 7 and 8, and write the result in the box 9. This will give you the figure for total Output Tax for the period.

Section C: Purchases/Deductions

This part of the return is used for calculating your amount of Input Tax for the taxable period.

If the figure for any of the boxes is nil write “Nil” in that box.

Item 10 – VAT on Local Purchases

Write in this box the total VAT paid by you on taxable supplies purchased during this period. (excluding VAT paid on imported goods). Include only that amount of VAT which meets the VAT invoicing requirements.

Item 11 – Customs VAT

Write in this box the amount of VAT you have paid to, or have been invoiced by, FRCA.

Attach customs entry as evidence of your Customs VAT claim.

Item 12 – VAT Input Adjustments

Write in this box the total of all the following amounts for the period, if any:

- VAT on bad debts written off
- VAT on credit notes issued
- VAT on debit notes received
- VAT refundable due to a change in accounting basis.

Refer to the attached VAT Input schedule Format. It is compulsory to attach the schedule of input box credit with your return.

Item 13 – Total VAT charged to you

Add the amounts at Items 10, 11 and 12 and write the result in the box 13.

Item 14 – Apportionment of Input Tax

If some of the goods and services supplied to you in the period are not wholly used for the purposes of making taxable supplies, then the portion of the input tax which represents the supplies not subject to VAT over total supplies will not be allowed. The adjustment should be calculated as follows:

$$\frac{\text{Supplies not taxable}}{\text{Total supplies}} \times \text{Input tax}$$

However, no apportionment needs to be made where the value of supplies made by you that are not taxable supplies is not more than:

- (a) 5% of the total value of supplies during the period, or
- (b) \$4,000

whichever is the lesser.

The FRCA may accept another basis of apportioning input tax.

Item 15 – Total Input Tax

Deduct the amount at Item 14 from the amount at Item 13 and write the result in the box. This will give you the figure for total Input Tax for the period.

Item 16 – Amount to Pay/Refund Due

Deduct Item 15 from Item 9 and write the result in the box. This may either be a positive or negative amount.

If your Total Output Tax is higher than Total Input Tax (a positive amount), the difference is the amount of tax you have to pay when you lodge this return.

If your Total Output Tax is lower than Total Input Tax (a negative amount), the difference is the amount of tax refundable to you. The FRCA will process the return and mail you a refund cheque.

If the amount at Item 16 is **less than \$5**, it will be ignored. You must still lodge the return, but you do not have to remit the amount if it is a payable situation, and you will not receive any refund if it is a refund situation.

Section D: Declaration

Write your name, sign and insert the date on the return.

If the return is prepared by a person other than the taxpayer, that person should write the capacity in which they are completing the return eg “tax agent”.

Also state the tax agent No and Phone Contact of the tax agent working on your behalf, if any.

Note: the VAT Decree provides severe penalties for persons who make false VAT returns.

It is compulsory to have VAT refunds deposited **directly to a bank account**. You are required to write the bank name and account number in the boxes provided.

What to do with the completed form

You may either post the form to FRCA or bring it to any of the FRCA offices listed below.

All forms posted should be addressed to:

For Central & Eastern Division businesses:

Commissioner of Inland Revenue
Private Mail Bag
Suva

For Western Division businesses:

Commissioner of Inland Revenue
Private Mail Bag
Lautoka

For Northern Division businesses:

Commissioner of Inland Revenue
Private Mail Bag
Labasa

If **bringing** the form to FRCA office, take it to the office nearest to you at the following addresses:

For Central & Eastern Division businesses:

Revenue & Customs Services Complex
Corner of Ratu Sukuna Road & Queen Elizabeth Drive
Nasese

For Western Division businesses:

Revenue House
19 Tavewa Avenue
Lautoka

For Northern Division businesses:

First Floor Rupan Building
Corner of Nanuku & Jaduram Street
Labasa

All forms received will be checked to ensure that they are complete and properly filled. Any incomplete form will not be processed.

