



## **VAT POLICY CORNER**

### **POLICY 18: VAT and the Agricultural Sector**

This policy forms the guiding principle as it relates to zero-rated items which may be used within the Agricultural Sector.

Under the Value-Added Tax Act of 2005, Schedule I provides a list of the goods and services which attract VAT at the rate of zero- percent (0%).

The following items are zero-rated under Schedule I:

- The first import of one of each large capital item of equipment such as a bulldozer, excavator, tractor, rice mill, saw mill, sawing machines, wood and metal lathes, dredges or similar heavy duty industrial machine
- Fertilizers
- Pesticides
- Prepared poultry feed, cattle feed, pig feed, and other prepared animal feed and ingredients, but not including pet food
- Vegetable seeds used for gardening purposes
- Fungicide, herbicide, weedicide for agricultural purposes
- Machinery used for preparing animal feeding stuffs
- Harrows, cultivators, scarifiers, ploughs, weeders and hoes
- Veterinary drugs as determined by the Commissioner

You are advised that the zero-rating of these items is not automatic. An application must be made to the Remission Unit of the Guyana Revenue Authority at 357 Lamaha and East Streets, Georgetown. It is only when such application is approved by way of a letter from the Guyana Revenue Authority that the imported material will be zero-rated. The importer will then be able to acquire and provide the materials free of VAT.

It is important to note that plant growth regulators are not zero- rated, as such VAT at the standard rate of sixteen percent (16%) must be charged when they are supplied.

Persons who have queries with reference to VAT are encouraged to write to the Commissioner, VAT and Excise Tax Department, 210 'E' Albert and Charlotte Streets, Bourda for clarification.