



VAT POLICY CORNER

POLICY 26: VAT and Computers

The use of computers forms a vital part of the daily activities for businesses, schools and individuals. The Guyana Revenue Authority (GRA) finds it necessary to advise the general public on its policy regarding computers and computer accessories. This policy therefore, forms the guiding principle as it relates to zero-rated items which may be used within the Information Technology Sector.

Pursuant to Schedule I paragraph 2 (jj); a supply of the following items are zero rated.

- Computers
- Computer monitors
- Computer printers (excluding multi-function printers)
- Mouse
- Keyboards
- All internal components of the Central Processing Unit including the cabinet, internal cd/dvd writers, motherboards, video cards, sound cards, internal power supply, processors, memories, internal Input/Output cards.
- Routers, switches and hubs for networking computers.
- Toner cartridges and ink cartridges for computer printers.

In principle, no VAT is paid on the above items and registered businesses which deal with more than 50 percent zero rated items can make monthly claims for a refund of VAT paid on expenses which are directly related to the sale of the computers and computer accessories.

On the other hand, services such as computer repairs provided by VAT registrants are taxable at the standard rate of sixteen percent (16%).

Additionally, Schedule I, paragraph 2A (q) zero-rates the provision of internet services providing an agreement is signed with the Government of Guyana and interested persons should contact the Remissions Unit, 357, Lamaha & East Streets, Georgetown.

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.