



VAT Policy Corner

VAT Policy 42-Raw Brown Sugar

The Guyana Revenue Authority continues to provide assistance to the general public on various issues regarding the application of Value- Added Tax (VAT) to specific items in Schedule I of the VAT Act, which lists goods and services that are zero rated for VAT purposes.

Schedule I, paragraph (q) (iii) of the VAT Act zero rates a supply of **raw brown sugar**. Therefore, consumers will not pay VAT at the standard of sixteen percent when making purchases since businesses are required to charge VAT at the rate of 0% on raw brown sugar.

Notwithstanding the above, other sugars such as granulated sugar, processed sugars such as white sugar, powdered sugar, icing sugar or confectioners sugar, castor/caster sugar, maple sugar and sugar extracts including saccharine, sucralose, aspartame, cyclamate and Acesulfame-K are not zero rated and will attract VAT at the standard rate of sixteen percent.

In addition, registered businesses which are involved in the sale of mixed supplies, that is, exempt supplies and standard rated and/or zero rated supplies may file a claim **every month** to the Guyana Revenue Authority for a refund of the excess credits **attributable to the zero-rated supplies only if the zero rated items account for at least fifty percent of the amount of the taxable supplies.**

Therefore, if 50% or more of the taxable supplies of a registered person are taxed at 0%, that person can claim a refund of the credits attributable to the zero rated supplies each month.

Persons who require the list of zero rated items or still have queries with respect to VAT are encouraged to contact the Department on Telephone No. 227-7929, Extension (200) and (201); or write to the Commissioner, VAT and Excise Tax Department, 210'E' Albert and Charlotte Streets, Bourda for clarifications.