



## VAT Policy Corner

### VAT Policy -Oats

The Guyana Revenue Authority continues to provide assistance to the general public on different 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 2A, (s) (iv). of the VAT Act zero rates a supply of **oats**. As a result, consumers will not pay VAT at the standard rate of sixteen percent when making purchases of ***oats used for human consumption*** since businesses are required to charge VAT at the rate of 0% .

In addition, Schedule I, paragraph 2 (kk) provides for the zero-rating of ***“a supply of prepared poultry, cattle feed, pig feed, and other prepared animal feed and ingredients thereof as determined by the Commissioner, but not including pet feed.”***

Therefore, oats when acquired as prepared animal feed or as an ingredient for prepared animal feed may be zero rated providing the Commissioner is satisfied that the product will be used for the purposes identified in the law.

Further, Schedule I, Paragraph 2(c) zero rates ***a supply of fungicide, herbicide, and weedicide for agricultural purposes.***

As a result, ***oats used as fungicide, herbicide, and weedicide for agricultural purposes may be eligible for zero-rating*** if the Commissioner finds these will be used for the purposes stipulated in the law also.

Thus, persons who require zero rating of oats to be used as prepared animal feed or as an ingredient for prepared animal feed and oats to be used as fungicide, herbicide, and weedicide for agricultural purposes must apply to the Remission Unit of the Guyana Revenue Authority at 357 Lamaha and East Streets, Georgetown requesting zero rating.

Notwithstanding the above, oats used as ***a coffee substitute or to produce whisky, for cosmetic reasons, as fibres papers, bedding, pillow filling, thatching etc.*** 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.