

TAX QUARTERLY NEWSLETTER



DECEMBER 2024 QUARTERLY TAX INSTALLMENT

Corporation Tax

Companies are required to make quarterly tax instalments on account of its 2024 year of income tax liability. This is based on the prior year's chargeable income and is computed as follows: -

Prior year's chargeable income X tax rate (30% / 35%)

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Where the Company estimates that its chargeable profits for the current year that is income year 2024 will be lower than the prior income year, that is 2023. An application can be made to the Board of Inland Revenue (BIR) for a reduction in the quarterly tax instalments due for income year 2024. We would be pleased to assist you with this computation and application to the BIR. In so doing you will avoid being in a tax refund position.

Conversely, where the Company estimates that its chargeable profits for the current year 2023 will exceed the prior year, you are required to pay quarterly instalments based on the prior year plus 80% of the increase which is due by **December 31, 2024**.

The BIR will levy interest at 20% per annum on any short payments or non-payment of quarterly tax instalments.

Business Levy

Where the business levy liability for the quarter is greater than the quarterly tax instalment, the business levy liability will be payable.

Business levy is computed at 0.6% of gross taxable sales/receipts for each quarter. Estimates can be made if the Company is unable to determine its gross sales for any day in the quarter, so however the business levy paid must not be less than 90% of the liability for the quarter. Any shortfall must be accounted for in the subsequent quarter.

Interest will be assessed for any short-payments or no-payment of quarterly business levy at 20% per annum.

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CAVEAT

This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, proper consultant should be obtained prior to taking action on any issue dealt with in this update.

Green Fund Levy

Green Fund levy is also due quarterly and is calculated at 0.3% of gross sales/receipts.

There are no exemptions from Green Fund Levy, and it cannot be offset against any tax liability of the Company.

Individual Income Tax

Self-employed individuals are also required to pay quarterly tax instalments on account of their 2024 year of income tax liability. This is based on the prior year's chargeable income and is computed as follows:-

Prior year's chargeable income X tax rate (25% and 30%)

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Where the quarterly tax instalment is greater than the business levy computed for the quarter, only the quarterly tax instalment is payable. Where the business levy liability for the quarter is greater than the quarterly tax instalment, the business levy liability will be payable.

Health Surcharge

Self-employed individuals must also pay their health surcharge for income year 2024 of \$429. This is due at \$107.25 per quarter.

Payment Deadline

Grant Thornton ORBIT Solutions Limited can assist with remittance of your quarterly tax and/or levies to the BIR.

If you require our assistance to do so, kindly let us have your cheques delivered to us no later than **Friday December 27, 2024** so we can ensure timely remittance to the BIR on your behalf.