

Assets Tax (Specified Bodies) Act

Every specified body (described below) shall make and submit to the Inland revenue an annual declaration of the value of its assets and shall in relation thereto pay the tax prescribed in the Schedule.

Specified body

(a) A company within the meaning of the Companies Act, other than a company in respect of which a license has been granted pursuant to Section 16 of that Act by the Minister responsible for the administration of companies.

(b) A society registered under the Industrial and Provident Societies Act

(c) Such other body as may be prescribed by Order subject to negative resolution.

Filing & Payment Due date

Asset tax is a current year tax due and payable on an annual basis. The return is due and payable by **March 15** of the same year and shall be based on the financial statements for the permitted accounting period.

Returns to be used

The existing Asset Tax Return (Form AT01) has been modified to reflect the amendments to the asset tax act (ATA). Form (AT02) is developed for Specified Regulated Entities Other specified bodies will continue to use the current Asset Tax Return (Form AT01)

Tax rate

The tax rate is to be applied to the taxable value of the assets. (a) For the Specified Regulated Entities, a rate of 0.14% is to be applied to the taxable value of the assets.

(b) For other entities, tax is payable in accordance with the schedule set out in table below:

<u>Value of the asset</u>	-	<u>Annual Tax</u>
Less than \$50,000		J\$ 5,000
At least \$50,000 but less than \$0.5M		J\$ 25,000
At least \$0.5M but less than \$5M		J\$ 100,000
At least \$5M but less than \$50M		J\$ 150,000
At least \$50M		J\$ 200,000

Value of the Asset

(A) For the BOJ regulated entities (the assumed asset tax base is):

The taxable value of the assets is the Aggregate Value of Assets minus [IFRS and Prudential Loan Loss Provisions] minus Withholding Tax Receivables owed by GOJ minus Required Capital. "Required Capital" as defined in the Second Schedule "IFRS and Prudential Loan Loss Provisions" means to "Loan Loss Reserves"

(B) For the FSC regulated entities:

(a) Security Dealers: The taxable value of the assets is the Aggregate Value of Assets minus Regulatory Capital minus Withholding Tax Receivables owed by GOJ. "Regulatory Capital" as defined in the Second Schedule "Withholding Tax Receivables" refers to the gross carrying value at the balance sheet date of tax withheld at source on interest and owed by the Government of Jamaica (Commissioner General Tax administration).

(b) Life Insurance Companies: The taxable value of the assets is Aggregate Value of Assets minus Withholding Taxes Receivables owned by GOJ minus Required Capital minus Assets Supporting Annuity Liabilities. "Required Capital" as defined in the Second Schedule "Withholding Tax Receivables" refers to the gross carrying value at the balance sheet date of tax withheld at source on interest and owed by the Government of Jamaica (Commissioner General Tax administration).

(c) General Insurance Companies: The taxable value of the assets is Aggregate value of Assets minus Withholding Tax Receivables owed by GOJ minus Required Capital minus Reinsurance Recoverables. "Required Capital" as defined in the Second Schedule "Withholding Tax Receivables" refers to the gross carrying value at the balance sheet date of tax withheld at source on interest and owed by the Government of Jamaica (Commissioner General Tax administration).

Value of Asset for Other Specified Bodies:

According to the asset tax act (ATA), the value of the asset shall be aggregate of the following:

- (a) Any estate or interest in land
- (b) Equipment, furniture, machinery, plant and other movable property
- (c) Any other interest, right or benefit
- (d) Outstanding balances on loans and advances made by the specified body
- (e) The specified body's cash in hand and in bank deposit
- (f) Outstanding balances due to the specified body by sundry debtors other than those specified in sub-paragraph (d)

Exemption

- Credit Unions remain exempt from this tax regime. Upon becoming regulated, the applicable asset tax base applies.
- Charitable organizations
- Not for profit organizations

Final Tax & Income Tax Treatment

Asset tax is a final tax.

The tax is not allowable as a deduction under the Income Tax Act. Amendments have been made to sections 13 and 15 of the Income Tax Act. This is effective for YA 2013 Income Tax Return and after.