

2011 Calendar

January							February							March						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
30	31				1				1	2	3	4	5		1	2	3	4	5	
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28						27	28	29	30	31		

April							May							June						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7			1	2	3	4	
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30		

July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
31					1	2	1	2	3	4	5	6						1	2	3
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29	30	

October							November							December							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
30	31				1				1	2	3	4	5						1	2	3
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10	
9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17	
16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24	
23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31	

P.O. Box 261, Bridgetown, Barbados
 Tel: +1 246 430 3900 Fax: +1 246 435 2079
 www.ey.com/caribbean

Property transfer tax Shares and real property only

Rates of tax

Vendor

- First **\$50,000** on sale of shares;
 First **\$150,000** on sale of house and land
- Excess

Exempt
2.5%

Purchaser

Creation or transfer of lease 25 years or more of a residential or commercial property

NIL

2.5%

Securities traded on the Securities Exchange

Exempt

Value Added Tax

Rates of tax

Most goods and services
 Hotel accommodation
 Supply of financial services
 Sale, transfer or disposition of real property
 Leases of real property for at least 25 years and residential leases
 Basic food items
 Exports
 Certain supplies of services to non-residents
 Goods imported by International Business Companies, Offshore Banks, Exempt Insurance Companies, Exempt Insurance Management Companies, Approved Shipping Companies, Qualifying Insurance Companies, Fiscal Incentives Companies, Societies with Restricted Liability and International Trusts

17.5%
7.5%
Exempt
Exempt

Exempt
0%
0%
0%

0%

Registration threshold

Taxable supplies of

\$80,000 per annum

Dates for filing returns

Individuals - 30 April

Corporations -

- ▶ with year end between 1 January and 30 September - 15 March following year
- ▶ with year end between 1 October and 31 December - 15 June following year

Tax payments

Individuals with employment income only:

PAYE - Any balance 50% on 30 April and 50% on 30 September

Individuals with business income which exceeds 25% of their assessable income:

Instalments on 15 June, 15 September, 15 December and balance on 30 April following year

Corporations -

- ▶ with year end between 1 January and 30 September - pre payment on 15 September and final payment on 15 March following year
- ▶ with year end between 1 October and 31 December - pre payment on 15 December, 15 March and final payment on 15 June following year

N.B. Taxation is a complex subject, and whilst every care is taken in preparing this tax card, no decisions should be taken based on it without obtaining professional advice.

Tax card

2011
 Barbados



1 January 2011

Income tax Income tax rates - individuals

Band of Taxable Income BDS\$	Rate of Tax %	Cumulative Tax BDS\$
1 - 24,200	20	4,840
Over \$24,200	35	
Tax on net residential rental income	15	

Gross assessable income up to Bds \$25,000 is not subject to tax. An individual over 60 years of age and in receipt of a pension is entitled to a basic deduction of \$40,000. Specially qualified expatriates working in the International Business and Financial Services Sector may qualify for a tax exemption ranging from 35% to 60% depending on the level of income for an initial period of 3 years.

Main personal allowances

Personal allowances	
Basic deduction	\$25,000
Dependent spouse allowance	\$3,000

Child allowance	
Under 18 years or over 18 years but under 25 years and receiving full time education	\$1,000 each in respect of 2 children (Maximum)

Registered Retirement Contributions by self-employed person	
	Lower of 15% of assessable income and \$10,000

Registered Retirement Savings Plan Contributions made by an employee or self-employed person	
	Lower of 15% of assessable income and \$10,000

Contributions to a Registered Retirement Plan and a Registered Retirement Savings Plan made by an individual	
	Lower of 15% of assessable income and \$10,000 in respect of both plans

Registered Retirement Contributions by an employee towards a plan taken out by an employer	
	Total contributions up to 15% of pensionable emoluments

Home allowance (includes up to \$2,000 for energy audits and materials)	
	\$10,000 (Max)

Purchase or installation of "environmentally preferred products" in respect of residential property	
	\$5,000 (Max)

Retrofitting of residential property with roof straps and shutters	
	\$2,500 (Max)

Rental allowance	
	Lower of 20% of rent paid and \$3,000

NIS contributions paid on behalf of an employee	
	Allowed in full

Annual payments/covenants	
	5% of assessable income

Amounts contributed to exempt charities	
	10% of assessable income

Amounts of less than BDS \$1 mil paid to registered charities	
	10% of assessable income

Amounts in excess of BDS \$1 mil paid to registered charities	
	50% of assessable income

Royalties received in Barbados	
	50% Exempt

Annual bonus converted to shares or into Government bonds/debentures or mutual funds	
	75% of value of bonus up to \$7,500*

Purchase of new shares in a public company and/or investment in a mutual fund and/or purchase of shares in a credit union	
	\$10,000 (Max)*

Investment in Registered Venture Capital Fund or Innovation Fund	
	\$10,000 (Max)

Capital Gains	
	Not Taxable

* *The Minister of Finance proposed that the investment in shares of a credit union and a mutual fund be removed from income year 2011.*

Main taxable benefits & allowances

(a)Cars-	10% of cost of car (for private use of company car)
(b)Housing: max. taxable benefit	\$48,000 p.a.

Corporation tax

Basic rate	25%
Rental of residential properties	15%
Approved Small Business	15%
Approved Developer in Special Development Area	15%
Manufacturing companies	15%
Companies engaged in the construction of houses for sale not exceeding \$150,000 inclusive of land	15%
Inter-Company ordinary dividends	Exempt
Inter-Company dividends received from a non-resident company	Exempt

Main withholding taxes

Residents	
Interest over \$100 paid to individuals	12.5*
Barbados Government Securities	12.5
Ordinary dividends paid in cash to individuals	12.5*
Dividends received from shares under a dividend reinvestment plan but restricted to 75% of the dividend up to \$7,500 p.a.	NIL
Investment withdrawn by an individual from a Mutual Fund or Capital Fund within 5 years of being invested	25
Withdrawal of investment in shares in a Credit Union within 5 years of investment	20

Non-Residents

Non-Treaty Countries**	
Dividends paid out of foreign source income	NIL
Dividends paid from non-foreign source income	15*
Interest	15*
Rents	25
Royalties	15*
Management/Technical Aid Fee	25
Dividends from untaxed profits	25*
Services other than Management	20
Covenants	10
Branch profits remitted/deemed remitted	NIL
Barbados Government Securities	NIL+
Professional fees	NIL+

* *Represents full tax liability.*

+ *Paid by local companies to non-resident associates for services performed in the International Business & Financial Services Sector.*

** *Rates may be reduced under a Double Taxation Treaty.*

National insurance contributions

(% of maximum insurable earnings of \$4,090 per month)

Employed persons	Employee %	Employer %	Total %
National Insurance	6.75	6.75	13.50
Non-Contributory	2.00	2.00	4.00
Employment Injury	-----	0.75	0.75
Unemployment	0.75	0.75	1.50
Severance Fund	-----	0.50	0.50
Training Levy	0.50	0.50	1.00
Catastrophe Fund	0.10	0.10	0.10
	10.10	11.25	21.35

Employed persons Under age 16 or 66 years or over

Employment Injury	-----	0.75	0.75
Training Levy	0.50	0.50	1.00
Catastrophe Fund	0.10	-----	0.10
	0.60	1.25	1.85

Self-employed persons

National Insurance		13.50
Non-Contributory		2.00
Training Levy		0.50
Catastrophe Fund		0.10
		16.10

Severance payments

For each complete year of employment:-
 up to 10 years **2.5 weeks' basic pay***
 11 years to 20 years **3 weeks' basic pay***
 21 years to 33 years **3.5 weeks' basic pay***

* *Basic pay means the Insurable earnings of the employee for National Insurance purposes. Severance payments are not taxable.*

Property taxes

Rates of taxes

Residential rates

Improved value	
0% on first	\$150,000
0.10% on next	\$250,000
0.45% on next	\$600,000
0.75% on excess over	\$1,000,000

Pensioners who occupy their own homes will pay residential rates but on 50% of the improved value in excess of \$150,000.

Land tax is capped at \$60,000 where a dwelling house is used exclusively as a residence by the person who owns the land on which the dwelling house is erected.

Commercial, Industrial, Hotel* and Villa Rates*	
Improved Value	0.65%

Unimproved Land

Site Value	0.60%
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* *Rebate of 50% granted to hotels and 25% granted to villas, on production of certificate from the Barbados Tourism Authority.*