

BELIZE:

GENERAL SALES TAX (AMENDMENT) BILL, 2024

ARRANGEMENT OF CLAUSES

1. Short title.
2. Amendment of section 2.
3. Amendment of section 14.
4. Amendment of section 22.
5. Amendment of section 33.
6. Amendment of section 36.
7. Insertion of new section 36A.
8. Amendment of section 37.
9. Amendment of section 39.
10. Repeal of section 86A.
11. Amendment of section 90.
12. Amendment of section 96.
13. Amendment of Schedule IV.
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BILL

For

AN ACT to amend the General Sales Tax Act, Chapter 63 of the Substantive Laws of Belize, Revised Edition 2020; to enable electronic tax invoicing; to make clarifying amendments; and to provide for matters connected therewith or incidental thereto.

(Gazetted, 2024)

BE IT ENACTED, by and with the advice and consent of the House of Representatives and Senate of Belize and by the authority of the same, as follows:

Short title.

1. This Act may be cited as the

GENERAL SALES TAX (AMENDMENT) ACT, 2024,

CAP. 63.

and shall be read and construed as one with the General Sales Tax Act, which is hereinafter referred to as the principal Act.

Amendment of section 2.

2. The principal Act is amended in section 2–

(a) in sub-section (1), in the definition of “taxable person”, by deleting the words “section 22(5)” and substituting the words “section 22(6)”; and

(b) by inserting the following terms and their corresponding definitions in their appropriate alphabetical sequence–

““invoice means a document notifying an obligation to make a payment and includes an invoice that has been issued transmitted and received in a structured data format which allows for its automatic and electronic processing;

“profession” means any person or firm or any body of persons (whether corporate or unincorporated) engaged in a vocation or occupation in Belize including, but not

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- limited to, any trade or business captured in Schedule VIII of the Income and Business Tax Act;”.
- CAP. 55.
3. The principal Act is amended in section 14 by deleting the word “Comptroller” and substituting the word “Commissioner”.
- Amendment of section 14.
4. The principal Act is amended in section 22–
- Amendment of section 22.
- (a) by repealing sub-section (4) and replacing it with the following–
- “(4) A person who, being required to be registered, has not applied for registration within the time required by sub-section (3) is liable on summary conviction to–
- (a) a fine of not less than five thousand dollars and not exceeding ten thousand dollars; or
- (b) an administrative penalty pursuant to the Tax Administration and Procedure Act.”; and
- (b) in sub-section (6)(a), by deleting the words “sub-section (2)” and substituting the words “sub-section (3)”.
- CAP. 51.
5. The principal Act is amended in section 33–
- Amendment of section 33.
- (a) in sub-section (3), by deleting the words “6 months” and substituting the words “one year”; and
- (b) in sub-section (4)(d) by inserting after the word “copy”, the words “or an electronic record”.
6. The principal Act is amended in section 36–
- Amendment of section 36.
- (a) in sub-section (2)–
- (i) in the chapeau, by inserting after the word “Commissioner”, the words “either electronically or in printed form”; and
- (ii) in paragraph (a), by inserting after the word “thereon”, the words “if the invoice is electronic, it must be identified as an electronic tax invoice”;
- (b) by inserting after sub-section (4), the following new sub-section–

“(4A) The Commissioner shall prescribe the way a recipient can access the electronic record of an invoice that has been issued electronically.”; and

(c) by inserting after sub-section (6), the following new sub-sections—

“(7) All electronic invoices and other electronic tax documents shall be authorized by the Tax Administration for their validity and tax recognition, in accordance with the regulations and technical standards issued for this purpose.

(8) The Commissioner shall publish on its website the technical specifications and necessary procedures for the issuance of electronic invoices and other electronic tax documents.

(9) The Commissioner shall specify the dates and schedules by which all invoices and other tax documents, without exception, shall be issued electronically.”.

Insertion of new section 36A.

7. The principal Act is amended by inserting after section 36, the following new section—

“Tax receipt.

36A.—(1) A registered person making a taxable supply to another taxable person or final consumer shall, at the time after the supply is made, give the recipient a tax receipt in respect of the supply in accordance with sub-section (2).

(2) A tax receipt issued under sub-section (1) shall be issued in the form and manner prescribed by the Commissioner and shall include the following information unless otherwise specified by regulations—

- (a) the supplier’s name and TIN;
- (b) the price of the supply excluding GST;
- (c) the rate of GST applicable to the supply;
- (d) the amount of GST paid;
- (e) an identifying serial number and the date on which the tax receipt was given; and

(f) the description and quantity of the item bought.”.

8. The principal Act is amended in section 37–

Amendment of section 37.

(a) in sub-section (2)–

(i) by inserting after the word “GST”, the words “contained in or”; and

(ii) by inserting after the words “been so”, the words “contained or”;

(b) in sub-section (3)–

(i) in paragraph (a), by inserting after the word “GST”, the words “contained in or; and

(ii) in paragraph (b), by inserting after the word “GST” the words “contained in or”;

(c) in sub-section (4)–

(i) by deleting paragraph (a) and substituting the following–

“(a) the words “credit note” or “debit note”, as the case requires, shown conspicuously thereon, provided that if the credit note or debit note is electronic, it must be identified as an electronic credit note or debit note, as the case requires;”;

(ii) in paragraph (c), by inserting after the word “the”, where it first appears, the word “TIN,”;

(iii) in paragraph (d), by deleting the word “is” and substituting the word “was”;

(iv) by deleting paragraph (f) and substituting the following–

“(f) the amount contained in the tax invoice or tax receipt as being the GST payable on the supply, the adjusted amount, and the amount of the difference between them;”

(v) in paragraph (g), by deleting the full stop and substituting “; and”; and

(vi) by inserting after paragraph (g), the following new paragraph–

“(h) the number of the invoice to which the credit or debit note relates.”;

(d) in sub-section (7)(b), by inserting after the word “was”, the words “contained in”;

(e) in sub-section (8)(b), by inserting after the word “was”, the words “contained in”; and

(f) by inserting after sub-section (9), the following new sub-section–

“(9A) The Commissioner shall prescribe the way a recipient can access the electronic record of a credit note or debit note that has been issued electronically.”.

Amendment of section 39.

9. The principal Act is amended in section 39(1) by inserting after the words “best of his judgment,”, the words “based on revenue or receipts reported to or data collected by the Belize Tax Service Department, Comptroller or other revenue or other authority or agency, books and records provided by another person, information from a third-party source or comparable data from a similar business in the relevant industry,”.

Repeal of section 86A.

10. The principal Act is amended by repealing 86A.

Amendment of section 90.

11. The principal Act is amended in section 90(3) by deleting the word “may” and substituting the word “shall”.

Amendment of section 96.

12. The principal Act is amended in section 96(2)–

(a) in paragraph (i), by deleting the full stop and substituting a semi-colon; and

(b) by inserting after paragraph (i), the following new paragraph–

“(j) prescribing the regime of issuing electronic tax documents, including–

(i) authorization, receipt, preservation, and storage;

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- (ii) the types, requirements, information, sending, and delivery to the purchaser;
 - (iii) the natural or legal persons that must register;
 - (iv) the obligations, prohibitions, and corresponding administrative measures; and
 - (v) the deadlines and schedules for compliance with the obligation to issue them electronically and their coexistence with the regime of printed tax documents.”.

13. The principal Act is amended in Schedule IV by deleting the definition of “residential premises” and substituting the following–

Amendment of
Schedule IV.

““residential premises” means a building or property that is occupied for or whose use is limited to residential purposes, but not including hotel or holiday accommodation.”.

14. This Act shall come into force on the 1st day of January, 2025.

Commencement.

EXPLANATORY MEMORANDUM

OVERVIEW

The General Sales Tax (Amendment) Act seeks to amend the General Sales Tax Act to enable electronic tax invoicing.

PROVISIONS OF THE BILL

1. Clause 2 of the Bill provides for new terms to be inserted in the Bill to align the General Sales Tax Act with other charging acts and provides a wider scope and clearer definition of what is considered a profession in order to avoid ambiguity.
2. Clause 3 of the Bill amends section 14 to align the Act with the Tax Administration Act which provides for the Director General as the head of the Belize Tax Service Department. If a person pays more tax on a taxable import than their actual liability under the Act, the Commissioner will refund the excess amount, treating it as an overpayment of duty.
3. Clause 4 of the Bill amends section 22 of the Act and allows for the imposition of an administrative penalty for the failure to register in accordance with the Tax Administration and Procedure Act.
4. Clause 5 amends section 33 of the Act to extend the time to claim input from 6 months to 1 year.
5. Clause 6 of the Bill amends section 36 of the Act to allow for tax invoices to be produced electronically or in printed form, and further provides the requirements and specifications for electronic invoices and other electronic documents.
6. Clause 7 of the Bill inserts a new section in the Act which provides for receipt requirements. A registered person making a taxable supply is required to provide a tax receipt to the recipient after the supply is made. The tax receipt must be issued in a format prescribed by the Commissioner and must include certain

information, including the supplier's name and Tax Identification Number (TIN), among other details as regulated.

- 7.** Clause 8 of the Bill amends section 37 of the Act by adding new requirements to be included in credit or debit notes.
- 8.** Clause 9 of the Bill amends section 39 of the Act and now allows assessment to be made based on what a taxpayer filed for business tax or to another revenue authority.
- 9.** Clause 10 of the Bill repeals section 86A of the Act which provided from the Commissioner to temporarily close businesses. This section has now been inserted in the Tax Administration and Procedure Act.
- 10.** Clause 11 of the Bill amends section 90 to make it mandatory that persons who are not registered from GST shall not state that a price quoted or displayed includes GST.
- 11.** Clause 12 of the Bill amends section 96 of the Act to allow for Regulation to be made in relation to electronic tax documents.
- 12.** Clause 13 of the Bill amends Schedule IV of the Act to change the definition of residential premises as building or properties used for residential purpose but excludes hotels and holiday accommodation.
- 13.** Clause 13 of the Bill provides for the Bill to come into force on January 1, 2025.