



## PRESS RELEASE

# Government Extends and Expands Tax Credit/Tax Deferral Programme to assist Businesses impacted by COVID-19

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The Department of Inland Revenue announced in April 2020, that applications for the Tax Deferral and Tax Exemption program were available online. The initial phase of this program which ended on June 30th, 2020, was designed for businesses with turnovers in excess of \$3 million dollars, who had a staff compliment of at least 25 employees. Businesses were able to withhold VAT due or outstanding business licence taxes between April and June, to assist with meeting payroll expenses as a result of this program. As at July 20<sup>th</sup> 2020, the program saw the granting of \$18 million dollars of non-reimbursable tax credits and deferred taxes combined thus resulting in the retention of more than 7,000 Bahamian employees.

Given the continued uncertainty and economic challenges posed by the Covid-19 pandemic, the Government has launched phase two of this program, extending and expanding it to all qualifying VAT registered businesses with a turnover in excess of \$100K (as opposed to the current \$3 million floor). This will also include hotels in an effort to provide payroll support, encourage employee retention and thus eliminate the need for further layoffs. Businesses who may have received assistance under phase one may also benefit from phase two and are also encouraged to apply.

It is important to note that tax relief approvals will be based on staff compliment rather than the turnover of businesses as previously granted under phase one. Additionally, there are certain categories of businesses that will not be eligible to receive assistance under this programme including: Food stores and food wholesalers, pharmacies and related wholesalers, gaming houses, banks and financial entities, insurance companies and the regulated telecommunications sector.

“We want to assist as many businesses as we possibly can to retain as many of their employees that they are able to and encourage them to apply online at (<http://atlas.revenue.gov.bs>), said Ms. Gaynell Rolle, Acting Controller Inland Revenue.

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