



GOVERNMENT OF ANTIGUA AND BARBUDA
Inland Revenue Department

Interpretations, Rulings & Opinions Inland Revenue Department
1 of 2017
(Issued June 2017)

Re: Construction of New Residential Premises (ABST)

This ruling is made under the authority of Commissioner of Inland Revenue.

LEGISLATIVE REFERENCE:

The Antigua and Barbuda Sales Tax (Amendment) Act No. 2 of 2008

Part 11 Section 44 Subsection 10, 11 and 13 of the ABST Act 2006 as amended.

Part 23 Schedule 3 Paragraphs 1, 2 (items 6 – 8), 3, 4, 5, 6, 7, 8, 9 and 10 of the ABST Act 2006 as amended.

Issue:

In the course of audits it was identified that the understanding of what constituted new residential premises and therefore entitled to zero-rating was not clear to persons within the construction field. This ruling seeks to provide clarity and bring a common understanding to this matter; as well as to state clearly the Inland Revenues interpretation of the subject matter.

Ruling:

In light of the above, an opinion was sought from the Office of the Attorney General, who advised as follows: -

1. A company cannot occupy residential premises therefore a company is not entitled to/cannot receive the zero-rating under these sections.
2. The person must intend to occupy the premises as the person's main residence
3. The home-owner (an individual not a legal person (company)) must have unrestricted right to reside in the premises throughout the year (there must not be periods where the homeowner cannot access due to rental of the premises). Additionally nothing in the sale or building contract, covenant, DCA consent or similar provision should prevent the person from residing in the premises throughout the year.
4. A house that will be used to generate revenue including but not limited to villas, vacation homes or any premise used as a part of the room stock of a hotel cannot be entitled to the zero-rating as a new residential premise.

By Order:

Signature: 

Date: 29/06/2017

Ralph Warner
Commissioner of Inland Revenue Department Antigua and Barbuda