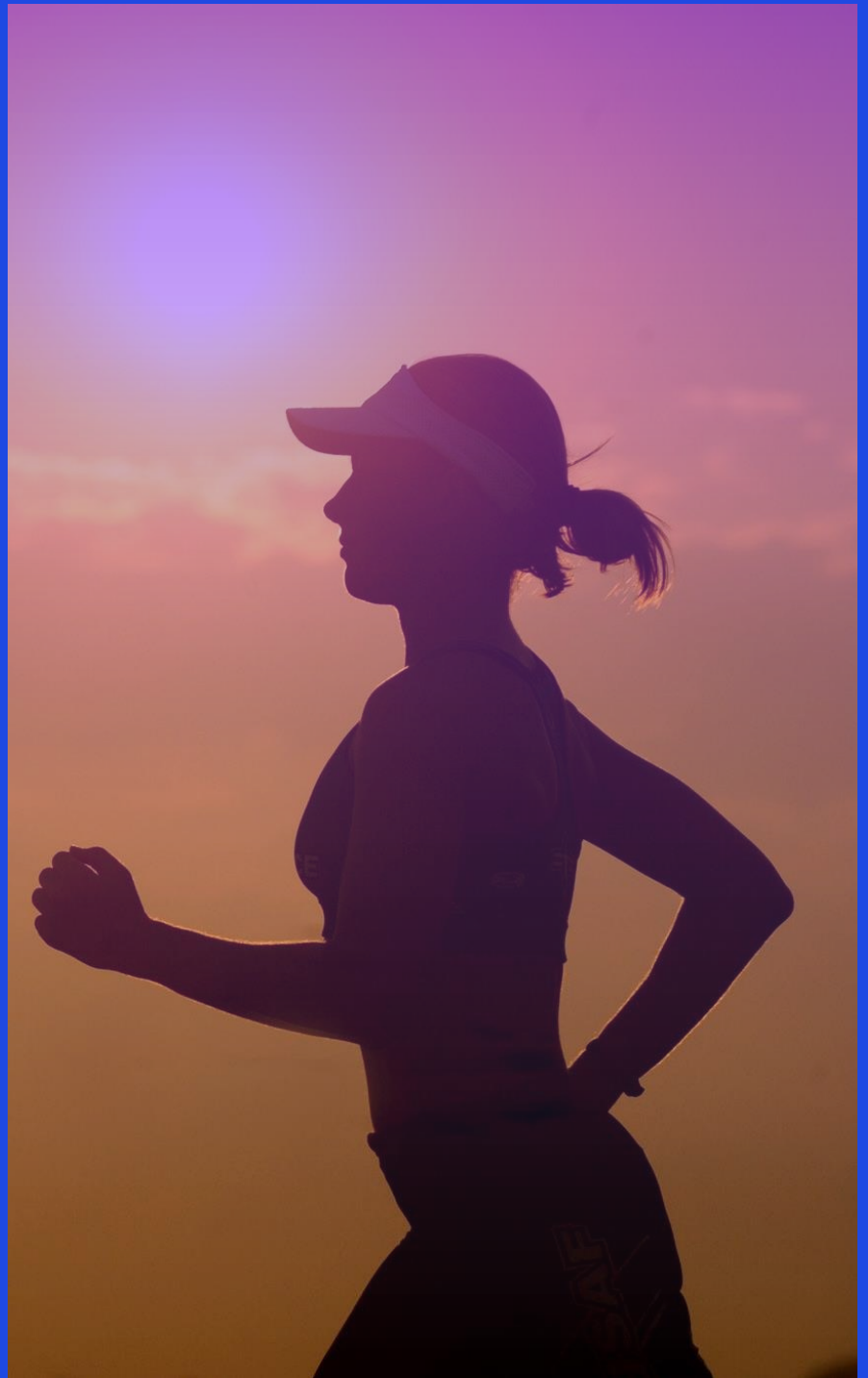




Tax Health Check



KPMG in Jamaica

June 2023

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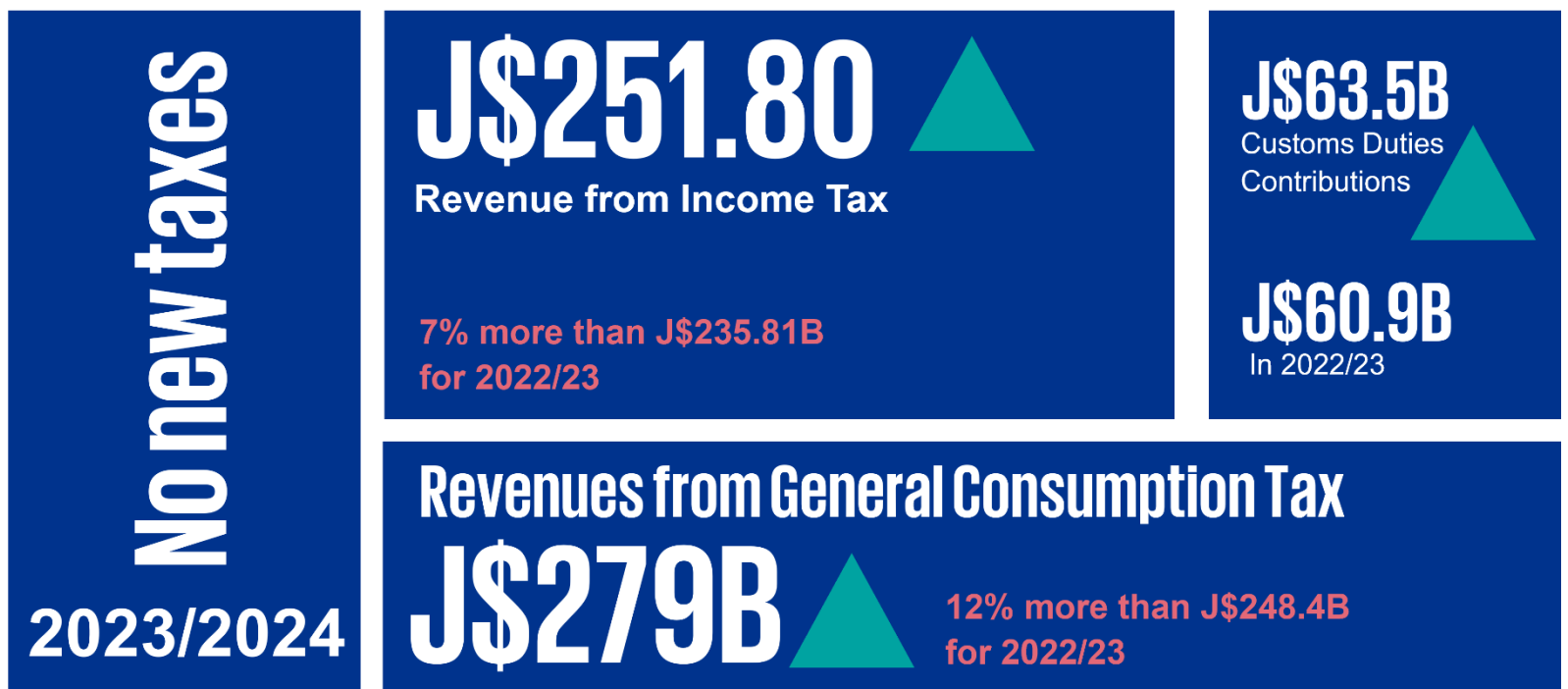


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Revenue Enforcement

The 2023/2024 Budget presentation made by the Minister of Finance and the Public Service, Dr. the Hon. Nigel Clarke, DPhil., MP, (“the Minister”), confirmed that there would be “no new taxes”.

However, with an increased revenue target, Tax Administration Jamaica has to focus on efforts to consolidate and enhance existing enforcement measures, and improve the Revenue Administration Information System (RAiS) to facilitate better taxpayer communication and more efficient taxpayer compliance through e-Filing.



 Increases from 2022/2023

The above projected revenue increase in the various tax types will require the deliberate and active effort of the tax authorities to take more administrative and enforcement measures.

Administrative and enforcement measures may include:

- Tax Audit
- Tax Assessment
- Imposition of Penalty and Interest
- Court Action
- Property Seizure

Revenue Enforcement Measures

Tax Compliance Awareness

Often times taxpayers are unaware of the level of their tax exposure for the various tax types. The tax legislations set out various rules and conditions that must be adhered to so as to achieve full taxpayer compliance. As such, filing tax returns and paying taxes on time do not make a taxpayer fully compliant, if it does not adhere to all the provisions of the tax laws.

While a financial statement audit seeks to establish whether the financial statements on a whole are 'true and fair', such audit is not designed to confirm that an entity is in full compliance with the tax laws.

The tax authorities have a 6-year window to conduct a tax audit, transfer pricing audit and make a tax assessment. There is no limitation period for the recovery of confirmed tax obligation and to execute certain other enforcement measures. Therefore, the risk of an undetected tax exposure relating to mistakes or the incorrect tax treatment of a transaction in a taxpayer's books and records is a real concern.

Tax adjustments requiring additional tax payments for prior periods arising from an audit or a review attract penalty and interest.

Tax Exposure Mitigation

Tax exposure can be mitigated by:

- Conducting a tax compliance review that can be referred to as **"Tax Health Check"**
- Tax training of the taxpayer's finance and accounting team

Tax Health Check involves reviewing a taxpayer's tax and accounting records to ascertain the level of compliance with relevant tax laws. This exercise may also involve quantifying the potential tax exposures for a particular period or transaction and making suggestions for improved compliance.

Prevention is the only guaranteed "cure". Know your tax health status.

Benefits

- Early detection of tax issues and treatment of such issues
- Mitigation of penalty and interest
- Advanced preparation for upcoming tax investigation
- Enhanced understanding of tax law and issues
- Knowledge of business' tax status

Tax Types

Tax training and tax compliance review can be on either

- Income tax
- General Consumption Tax
- Payroll Taxes
- Other taxes

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With **5** physical offices

Our people



39

Partners & Directors

70% | 30%

Gender Split F|M



100+

Years of service excellence

1,200+
Professionals

Contact us

We hope our comments are of assistance to you however should you need to discuss further please contact one of our tax team (using the details below), any of our Partners, or your usual service contact at KPMG.

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