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PRESS RELEASE

Government of Belize will not Proceed with Proposed Tax Increase on Agricultural Land Clearing

Belmopan. March 21, 2018. The Ministry of Finance informs that there was a meeting this morning at the Office of the Prime Minister in Belize City with the Prime Minister Rt. Hon. Dean Barrow, the Commissioner and Deputy Commissioner of General Sales Tax (GST), the Executive Members of the Belize Agro-Productive Sector (BAPS) Group, and the President of the Chamber of Commerce.

Resulting from this meeting, the Government of Belize has agreed not to proceed with the Statutory Instrument (S.I.) that would have standard-rated for GST purposes (at the rate of 12.5 %) Land Preparation for Agriculture, Harvesting and Crop Dusting Services.

The rationale for the proposed S.I. was to close loopholes and stop the blatant abuse that has been an unacceptable feature of the claims for GST refunds coming from that sector of the economy. In the end, however, the Government accepted that while the S.I. might have succeeded in achieving that objective, it would have resulted in overall prejudice to the Sector.

Therefore, in return for both the Chamber President and the BAPS Executive agreeing to work with the GST Department and their memberships to find other effective ways of dealing with the abuse and excessive claims, the Government indicated that it will not at this time proceed with the proposed S.I.

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