

How to Complete A Monthly Consolidated Tax Form

(An Example)

Introduction

This is a guide to assist taxpayers to complete a monthly tax form.

There are seven parts in a tax form:

- | | |
|---------------------|---------------------------|
| 1. Taxpayer Details | 5. Income Tax Installment |
| 2. Wage income tax | 6. Payment advice |
| 3. Withholding tax | 7. Declaration |
| 4. Services tax | |

Part 1: Taxpayer Details

- Enter the month of payment – For example, enter June for tax payments for June. The payment for June should be made no later than 15th July
- Enter your TIN number
- Enter your registered taxpayer name

Part 2: Wage Income Tax

- On Line (Ln) 5 write the gross amount of wages paid to all staff
- On Line (Ln) 10 write the total amount of wage income tax deducted from all staff wages

Sample calculations for monthly Wage Income Tax

Employee Name	Monthly Salary	Tax Calculation	Tax Deducted
Francisco Neves	\$240.00	\$240 x 10% = \$24.00 Minus tax credit \$10.00 Tax deducted = \$14.00	\$14.00
Jacinto Soares	\$190.00	\$190 x 10% = \$19.00 Minus tax credit \$10.00 Tax deducted = \$ 9.00	\$ 9.00
Novita Pondirin	\$ 85.00	\$ 85.00 x 10% = \$ 8.50 Minus tax credit \$ 8.50 Tax deducted = \$ 0.00	\$ 0.00
Maria Boavida	\$600.00	\$550 x 10% = \$55.00 \$ 50 x 30% = \$15.00 Minus tax credit \$10.00 Tax deducted = \$60.00	\$60.00
	Total \$1115.00	Total Wages Income Tax Deducted	\$83.00

How to complete Monthly Taxes Form for Wage Income Tax

Wage income tax (do not show cents)

	<i>Ln No</i>	
<i>Total gross wages paid during the month</i>	5	\$ 1115.00
<i>Total Wages Income Tax withheld during the month</i>	10	\$ 83.00

Note: Wage Income Tax is paid monthly

Note: If you are unsure how to calculate this tax please ask TLRS staff for help

Part 3: Withholding Tax

Withholding Tax is a tax that is withheld from certain prescribed income payments and paid to the TLRS. For information about who is required to withhold these prescribed payments read the Withholding Tax brochure available at TLRS offices.

- In the name and address column write the name of the recipient of the payment
- In the TIN number column write the TIN number of the recipient of the payment
- In the gross payment column write the total amount of the payment(s) for the payment type
- In the Withholding Tax Calculation column write the total amount of the tax withheld
- On Line (Ln) 130 write the total of all withholding tax withheld
- Take care in making entries in the correct payment type row

Note: if there is insufficient room on the taxes form to include all details of all payments made during the month list these on a separate sheet and attach it the taxes form

Sample calculation: Rent-Land and Buildings Payment \$500.00 x 10% = \$50.00

How to complete Monthly Taxes Form for Withholding Tax

WITHHOLDING TAX (DO NOT SHOW CENTS)								
Note: If there is insufficient room to provide other party details on this form, please provide these details on a separate sheet of paper and attach the sheet to this form.								
Payment Type	P or R	Name & Address of other party to the payment	TIN of other party	Ln No	Gross Payments A	Rate B	Ln No	Withholding Tax Calc. A x B
Dividends, Interest, Prizes and Lotteries				45		15%	50	
Royalties				55		15%	60	
Rent-land and buildings		Doggy Imports	1000 001	65	\$500.00	10%	70	\$50.00
Construction and building activities		Maliana Builders	1 001 002	75	\$10,000	2%	80	\$200.00
Construction consulting services				85		4%	90	
Petroleum, geothermal drilling and drilling support services, mining and mining support services				95		4%	100	
Transportation – air and sea				105		2.64%	110	
Non-residents without permanent establishment (all payment types)				115		20%	120	
TOTAL WITHHOLDING TAX (Add amounts shown at Lines 50, 60, 70, 80, 90, 100, 110 & 120)							130	\$250.00

Part 4: Services Tax

- On Lines (Ln) 15 to 30 write gross sales for each of the service types you provide
- On Line (Ln) 35 write the total of gross sales for all service types you provide
- On Line (Ln) 40 write the total amount of services tax to be paid. You can calculate this by *multiplying total sales (line 35) by (x) 12%*

Sample calculation: Total Services Sales \$18,970 x 12% = \$2255.00

How to complete Monthly Taxes Form for Services Tax

Services Tax (do not show cents)			
Service Type	Ln No	Gross Sales	
Hotel services	15	\$10,540.00	
Restaurant and bar services	20	\$ 8,250.00	
Transport rental services	25	-	
Telecommunications services	30	-	
Total Sales (Add lines 15+20+25+30)	35	\$18,790.00	
Services Tax Payable (Multiply Line 35 x 12%)		40	\$ 2255.00

Part 5: Annual Income Tax Installments

- On Line (Ln) 10 write the amount of total sales for your business, for the tax period. Most business will do this quarterly, that is, for a three (3) month period. However large businesses are required to pay this tax monthly. Anyone can pay annual income tax installments monthly if they wish.
- On Line (Ln) 20 write the total amount of Annual Income Tax Installment. You can calculate this by *multiplying total sales by (x) 1%*

Sample calculation:

In this example total sales for the June quarter are:

Total sales – April	\$21,500.00
Total sales – May	\$18,680.00
Total sales – June	\$18,790.00
<u>Total for quarter</u>	<u>\$58,970.00</u>

Income Tax Installment: Gross sales \$58,970.00 x 1% = 588.00

How to complete Monthly Taxes Form for Annual Income Tax Installments

Annual Income Tax Installment payments for 2005			
To be used by all taxpayers. For Quarterly Installment Payers Installments are due on the 15th of April, July & October of the tax year and 15th January next year. For monthly Installment Payers Installments are due on the 15th day of each month beginning in February of the tax year. The Installment amount is calculated as 1% of Gross Turnover for the quarter or month.	Gross Turnover	10	\$ 58,970.00
	Gross Turnover Multiply by 1%	20	\$ 588.00

In this example Installment Tax for the June quarter is paid on the June monthly consolidated taxes form and is due for payment no later than 15th July.

Part 6: Payment Advice

- Enter your TIN number
- Enter the month of payment. This should be the month for which the tax payments are due. For example, if you are making tax payments for June, which you will pay by the 15th July. Please write the month as June on the form.
- Enter the Year of payment
- Enter totals of tax payments due in each line, that is, Wages, Withholding, Services and Income Tax Installment. If you are not making a payment for one of these tax types, please leave that box empty.
- Enter the total amount of tax to be paid in the Total Paid box.

How to complete Monthly Taxes Form for Payment Advice

PAYMENT ADVICE			
TIN: 5000 002	MONTH: June	YEAR: 2005	
Wages tax: (This is usually the amount at label 10)	\$ 83.00	a/c 286442.10.001	
Withholding tax: (This is usually the amount at label 130)	\$ 250.00	a/c 286830.10.001	
services tax: (This is usually the amount at label 40)	\$ 2255.00	a/c 286636.10.001	
Income tax installment (1% of Monthly or Quarterly Turnover/Sales)	\$ 588.00	a/c 286539.10.001	
Total Paid	\$ 3176.00		

Part 7: Declaration

- The person completing the form must enter their name; sign and date the form
- Please provide a telephone contact number

**You need to complete three (3) copies of the
Monthly Consolidated Taxes Form
And
Present these at Bank BNU with your payment**

- One copy will be forwarded to TLRS for processing
- One copy will be retained by BNU for their records
- One copy will be returned to you for your records