



BUSINESS TAX GUIDE

2025

BELIZE TAX SERVICE



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Taxpayers' Rights and Obligations

As a taxpayer, you are entitled to specific rights while also having important responsibilities. The Belize Tax Administration is committed to providing you with the following services:

Professional Assistance

The staff of the Belize Tax Administration will assist in every reasonable way to ensure that you benefit fully from the provisions of the law. We will help you understand and fulfill your responsibilities under the law. To enable us to do this, you have an obligation to provide us with all relevant facts to determine your tax liability.

Respectful Service

Our staff will always perform their duties with courtesy, and respect for your time. We ask that you fulfill your obligation in respecting the officers who are responsible for the proper collection of taxes.

Information Security

Any information you provide to the staff of the Belize Tax Administration will be treated with strict confidence and used only for the purposes allowed under the law.

Cost-Effective Operations

The Belize Tax Administration will have due regard for the cost to you and will recognize that they need to keep these costs to a minimum, while ensuring the efficient and economical collection of taxes.

With effect from 1st July 1998, all self-employed persons, partnerships, companies, or sole proprietorships are required to file monthly tax returns showing revenue receipts from all sources, with a calculation of the tax due. Remittance of the tax due must accompany the return filed. This system of taxation continues to uphold the principle of "Self-Assessment".

This guide is designed to assist you in completing the return and calculation of your tax.

Filing and Penalties

Filing Dates

The Business Tax Return along with the Tax Due must be filed and paid by the 15th day of the following month, covering all receipts for the previous month.

Example: Returns for the month of December must be filed and the tax paid by 15th January.

Where to File:

Returns should be filed and payment of tax made online at <https://irisbelize.bts.gov.bz>. For taxpayers without internet access, please visit any of our offices listed below where computers are available for public use to file your tax returns.

Belize City: Eleanor Hall Building

Lake I Boulevard

Belize City, Belize, C. A.

Telephone: 222-4776/222-4956/222-5579/222-5574/222-4780

Belmopan: 5455 Hummingbird Highway

Belmopan City

Cayo District

Telephone: 802-2667/802-0482

Corozal: #82 Fourth Avenue

Corozal Town

Corozal District

Telephone: 402-3282

Orange Walk: 107 Otro Benque Road

Orange Walk Town

Orange Walk District

Telephone: 328-5007/328-5000

San Ignacio: #1 Buena Vista Street

San Ignacio Town

Cayo District

Telephone: 804-3837

Dangriga: St. Vincent Street

Dangriga Town

Stann Creek District

Telephone: 502-2046/502-2351

Punta Gorda: #3 Clement Street
Punta Gorda Town
Toledo District
Telephone: 702-0959

San Pedro: Suite #6 San Cas Building
Trigger Fish Street
San Pedro Town, Belize District
Telephone: 226-3071/206-2454

Penalties and Interest

The penalties and interest charges for not complying with the filing and payment deadlines for Business Tax are as follows:

- **Late or Non-filing:** 10% of the tax due for every month or part of the month that the return remains outstanding, minimum of \$10.00. For a maximum of 24 months.
- **Late or Non-payment:** 1.5% interest per month on all unpaid balance from the time it was due up to the date of payment.

Example: If the December return and tax of \$200.00 which is due by 15th January is filed and paid on 5th February, then the additional amount of \$46.00 becomes payable. The amount is calculated as follows:

Late Filing Penalty:	$(\$200.00 \times 10\%) \times 2$	= \$40.00, Plus
Late Payment Interest:	$(\$200.00 \times 1.5\%) \times 2$	<u>= \$ 6.00</u>
		\$46.00

- **Failure to file a return:** A fine on summary conviction not exceeding \$10,000.00, and in default, imprisonment not exceeding two (2) years.

Failure to file a Nil-Return: \$10.00 a day but not exceeding \$10,000.00

Note: It is the obligation of a taxpayer to file a nil return whether revenue is generated or not for a said period.

Answers to Frequently Asked Questions

1. What is Business Tax?

Business Tax is a tax on TOTAL REVENUES or RECEIPTS

- Whether in cash or “in kind”
 - Whether received or accrued/credited of a “Person” or Firm without any deduction
- " Registration of a Business is mandatory regardless of amount of revenue earned.

2. Who should pay Business Tax?

Business Tax is payable by any person practicing his profession, or firm carrying on business IN BELIZE, and includes:

- Individuals/Sole Proprietor
- Partnerships
- Companies/Corporations
- Consultants, both Local (Resident) and Foreign (Non-Resident)

and any other “person” who is in the business of providing goods and services, and those organizations identified in (3) below on taxable receipts.

3. Who should not pay (or is exempt from) Business Tax? What income is exempt?

The Business Tax does NOT apply to:

- Employees, on their employment income. “Employees” include consultants who work for their employers for periods adding up to sixty days (60) or more in the year.
- Receipts of Designated Processing Areas businesses

- Winnings from Boledo and Jackpot Lottery
- Slot machines and table games of less than \$1,000.
- Interest from any notes or bonds issued by the Government of Belize
- Rental receipts of less than \$800 per month where rents form the only “source of livelihood of the taxpayer.”
- Receipts that are **not** the proceeds from a trade or business carried on by the following organizations:

Credit Unions
Charitable Institutions of a Public Character
Educational Institutions of a Public Character
Friendly Societies
Local Authorities
Religious Bodies Statutory Boards

Interest on Savings and Term Deposits, *if the interest is not the income of a financial institution or Investment Company or any other person whose business activity includes the investment of funds.*

4. What if I have both Employment Income and Business Receipts? Should I combine them?

Employment income should **not** be combined with your business receipts for tax purposes. If you have both types of receipts, then you need to file **TWO (2) types of returns and pay the taxes applicable to those returns.**

5. If a ‘consultant’ works for one person for more than sixty days, which Tax to apply?

This person is considered an employee and should pay Income Tax under the Pay As You Earn (PAYE) system. Any business tax inadvertently paid for them may be refunded at the end of the basis year, on application by the taxpayer.

6. Business Tax is a tax on total revenues without any deduction for expenses. Should I still keep all my records, including those for purchases and expenses?

Record keeping is a very important tool for a businessperson. These records will tell whether or not the business is making a profit, what areas are best to invest in, what are the outstanding bills, who owes the business, and for what period, what are the assets of the business - just to name a few key areas of importance. Annual Financial Statements are not just for the Belize Tax Service purposes: financial institutions and other persons doing business with that firm or company use them also and may ask you to provide them.

In addition to the above important business uses, taxpayers & other persons are required by law to keep ***all records***, as the sales records are not the only ones used by the Department for the determination of total revenues.

Keep all records (See page 16, Item 14)

7. What is the responsibility of a person who purchases an existing business?

The law requires that every person who purchases a business should first ensure that all taxes due from such business have been paid by obtaining a “**Certificate of Good Standing**” from the Director General to this effect.

Failure to obtain the certificate shall result in the purchaser being responsible to pay all outstanding taxes.

Registration

Persons who are not exempt from the payment of Business Tax as specified at the above in the Frequently Asked Questions section, must register with the Belize Tax Service Department in order to file and pay.

Individuals and businesses can register for their TIN (Tax identification Number) conveniently online via <https://irisbelize.bts.gov.bz>

To obtain your TIN online, you must:

1. First: Create an online account on the IRIS Belize platform :<https://irisbelize.bts.gov.bz>
2. Then: Apply for your Tax Identification Number (TIN) via your account

On completion of the registration process a Tax Identification Number (TIN) will be issued. The TIN number is the same number that is to be used for General Sales Tax and Customs and Excise processes.

Technical Support

For assistance with the online registration process, please contact our dedicated helpdesk:

Telephone: 613-8375 | 613-2773 | 614-5731 | 613-4711 or

Email: onlineaccounts_bz@bts.gov.bz

Business Tax Treatment of Specific Activities

1. Tour Operators

Tour operators are subject to tax at the rate of six percent (6%), classified under *Professional Services* as outlined in the Eighth Schedule of the Income and Business Tax Act. Please refer to the Eighth Schedule (page 21) within this guide for a non-exhaustive listing of such services.

2. Tour Guides

Tour guides are assessed as “other trade or business” at the rate of 1.75% where the guide operates as a sole trader/self-employed person. Employed guides are taxed under the P.A.Y.E. system.

3. Travel Agents

Travel Agents are assessed at the rate of 6% **without a threshold** on total commissions.

4. Commissions

This is the only source of receipts with two rates of tax:

- Commissions of *less than* \$25,000.00 per annum.....5%
- Commissions of \$25,000.00 or more per annum15%

Special note: If you think your receipts are going to exceed \$25,000.00 by the end of the year, it is advisable that you pay at a higher rate from the beginning. In this way you will avoid any interest payments and a balance of tax at the end of the year that will be difficult to manage.

A person whose total receipts is near the borderline (more than \$2,000.00 for the month) will be assessed at the higher rate initially, with an annual review. Overpayment will be refunded if requested.

5. Rental Receipts

If you have monthly receipts from ***rent, royalties, premiums or any other*** receipts ***from real property*** that is \$800 or more, you must pay tax at the rate of 3% per month.

Only source of livelihood:

If rental is your only source of livelihood, you may file your return and pay your business tax every six months (instead of monthly).

6. Financial Institutions

Financial Institutions such as banks are required to file General Revenue at the below rates based on their various income categories:

- 12%-Foreign Exchange Earning Sector,
- 15%-Real Estate Building & Construction & Manufacturing,
- 16%-Other
- 17%-Distribution,
- 18%-Personal Loans

7. Accommodation

For the purpose of applying Business Tax, accommodation and accommodation charges shall have similar definition as contained in section 2 of the Hotel and Tourist Accommodation Act Chapter 285 of the Laws of Belize.

Definition:

“Accommodation” means lodging or sleeping accommodation and any services and facilities ancillary thereto provided in any hotel or tourist accommodation for guests thereof;

“Accommodation charges” means the sum paid or payable by or on behalf of guests for accommodation provided in a hotel or tourist accommodation, whether the sum becomes payable in Belize or otherwise.

“Hotel” means any building containing:

- a. not less than ten bedrooms for the accommodation for reward of guests;
- b. one or more kitchens in which meals may be prepared by employees of the person having the management or ownership of such building for the guests accommodation for reward; and
- c. one or more dining rooms shared in common by all the guests accommodated for reward in which meals may be served by such employees as aforesaid to guests; or
- d. any group of buildings, whether cottages, bungalows or otherwise, situated within the same precincts, served by a common service and together containing not less than ten bedrooms for reward of guest

Provided that within the precincts in which such group of buildings is situated are:-

- (i) one or more kitchen in which meals may be prepared by employees of the person having the management or ownership of such building for the guests accommodated for reward; and
- (ii) one or more dining rooms shared in common by all guests accommodated for rewards in which meals may be served by such employees aforesaid to such guests;

“Tourist accommodation” includes apartments, condominiums, guest houses, community-based tourist establishments, campsites, live-aboard vessels, religious/educational/research facilities and any other type or category of accommodation which the Minister may prescribe by Regulation.

- (i) The rate of business tax shall be applied at 1.75% on the gross revenue charges of the hotel or tourist accommodation.
- (ii) The Corporation or management of the hotel or tourist accommodation will be held accountable for the accounting of the proceeds from the accommodation charges.

Privately Owned Homes – The rate of tax on the rental income is 3%

8. Contracts

Contract” – An agreement with any person, professional or entity for carrying out of works or services or supply of labour or materials in relation to the agreement.

- Does not include “employment” arrangements
- Can be written or oral
- Does not include outright sales/purchases agreements (e.g. Do not apply to instances where a supplier supplies stationery, etc.)
- Includes a wide variety of services or works including accounting, legal, management services, plumbing, electrical, construction, brokerage, transportation, rent, etc.
- Not to be applied if the value of the agreement, or series of agreements (see note overleaf) within a year, is less than \$3,000.00

For contracts of \$3,000 or more, the payer must deduct withholding tax from the gross amount as follows:

Withhold 3% from each payment if the contractor’s regular tax rate is 6% or higher.

Withhold 50% of the contractor’s regular tax rate from each payment if their rate is below 6%.

The tax withheld must be paid to the Belize Tax Service **within fifteen days following the end of the month**. The amount withheld will be credited to the account of the person from whom the tax was withheld.

Note: The following can be found online on <https://irisbelize.bts.gov.bz> and is to be used when reporting the contract withholding online.

Complete the details below of the taxpayer and tax period this return is to be filed for.

Submitter's TIN	<input style="width: 80%;" type="text"/>
Submitter's Name	<input style="width: 80%;" type="text"/>
Submitter's Address	<input style="width: 80%;" type="text"/>
Year	<input style="width: 80%;" type="text"/>
Period	<input style="width: 80%;" type="text"/>

Help completing this form:

- A TIN or a name is required for each row.
- TINs must be entered in the following format: ##### e.g. 123456.
- Ensure that there are no red flags, indicating missing or invalid data on rows.
- Once completed, you can file this return online.

Totals					\$0.00	\$0.00
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Complete the details below:

TIN	Taxpayer Name	Social Security Number	Other ID	Taxpayer's address	Contracted Amount	Tax Rate %	Tax Amount Withheld

Penalty for not remitting: A penalty of \$100 or 10% of the tax due and payable, whichever is greater.

Series of Contract: A “series of contract” for our purpose is an arrangement where the withholder engages one contractor over a period to do essentially the same job under the same conditions, on a periodic basis. Most of these cases are unwritten agreements. Examples are a service man who comes in periodically to service the air condition units at a set rate, an accountant who comes in to do the books monthly, an attorney on retainer, etc. In such cases, the \$3,000 threshold is applied over the entire engagement, as these are not separate contracts. Where the contracts are clearly separate, the \$3000 threshold is to be applied on every separate contract.

9. Dividends

Withholding Tax at the rate of 15% should be withheld from all dividend payments and reported and paid over immediately to the Belize Tax Service Department by the Company paying the dividend. This is a FINAL tax on this type of receipt and *should not be combined with other receipts* being reported for Business Tax purposes in your monthly return.

10. Taxation of Non-Residents

10.1. Every person who makes payments to a non-resident for the below listed, is required to withhold tax at the specified rates. The tax **withheld** should be immediately paid over to the Belize Tax Service Department. The filing of the Withholding Tax Return can be filed online at <https://irisbelize.bts.gov.bz>

- Dividends15%
- Insurance Premiums.....25%
- Interest on Loans15%
- Management fees.....25%
- Rental of plant and Equipment.....25%
- Technical Services.....25%

10.2. Taxation of CARICOM Members

Every person who makes payments to a person from a CARICOM Member State that are signatories to the Income Tax CARICOM Double Taxation Act Chapter 56, is required to withhold tax at the specified rates as follows:

- Dividends.....0%
- Interest15%
- Royalties.....15%
- Management Fees.....15%

11. Real Estate Business

Every person who deals in real estate business is required to submit to the Belize Tax Service Department a statement (TD27) for each transaction conducted by him, which contains the full details of such transaction, including the location and value of the property involved. Gross receipt from Real Estate Business is taxed at the rate of 1.75% and the commission is taxed at 15%.

Due date for filing of statement: The statement must be filed by the 15th day of each month following the month in which the transaction was conducted.

Penalty for not submitting: It is considered an offence if the statement is not submitted. Any person who is found guilty by summary conviction will be liable to a

fine not exceeding \$5,000 or to imprisonment for a term not exceeding 1 year, **or to both fine and imprisonment.**

12. Fishing Revenues

Fishermen who are members of Fishing Cooperatives pay their Business Tax through the Cooperatives, which are required to report the total receipts and pay the tax at the rate of 1.75%. **(Fishermen are *not* required to file individual returns of the fishing revenues from those cooperatives, only of other revenues/receipts, which they may have, including independent sales of fish products, rental of boats, transportation services, or receipts from any other businesses.)**

13. Partnerships

Partnerships are dealt with under Business Tax as single entities and are assessed on the income of the entire business. Returns filed should list the partners but should pay on the total partnership income in the tax computation. The returns should continue to identify each partner's percentage of share held in the firm in the schedule at the back of the form.

Partners who have rental income should be reminded that their income from the partnership should be taken into consideration when determining if they are over the threshold and therefore have a tax liability.

Professionals, who are not accredited partners in a firm, are salaried employees and are to be dealt with under the Pay As You Earn (PAYE) system.

14. Books and Records of Accounts

Taxpayers & other persons are required to keep in the country proper books and records of accounts along with supporting documents for inspection by officers of the Belize Tax Service Department as and when requested. These records should be kept for a period of six years unless permission for earlier destruction is obtained from the Director General.

15. Relationship to General Sales Tax (GST)

All General Sales Tax should be **excluded** from the total sales/receipts to arrive at your receipts for business tax purposes.

Example:	Professional Fees	\$5400.00*
	General Sales Tax	<u>432.00</u>
	Total charged/received	<u>\$5832.00</u>
	Total Receipts for Business Tax	<u>\$5400.00*</u>

16. Allowances

The Business Tax Act allows the following adjustments to your receipts to arrive at the total revenues you are to pay tax on:

- Gifts aggregating \$500 or more, taking effect in Belize, for Sports, Religious, Charitable, Educational or Cultural purposes or for the improvement of amenities in Towns or Villages, up to a maximum of \$30,000 per annum.

Original receipts/acknowledgements must be submitted to the Director General to be satisfied that the payments were actually made.

Receipts collected on behalf of the government or other party to be accounted for separately and not included in sales/turnover.

- General Sales Tax collected
- Revenue Replacement Duty on fuel paid on importation
- Supply sales by the bulk fuel importer to another bulk fuel supplier
- Accommodation Tax collected under the Hotels Act
- Payments of Dividends, Principal and Interest within Public Investment Company (PIC) groups
- Funds received on behalf of another party as an agent
- Excise duty

Guide to the Completion of the Business Tax Return

Filing of Business Tax Returns can now be done online at <https://irisbelize.bts.gov.bz>. Video tutorials for the filing of Business Tax Returns can be found on the **Website:** <https://bts.gov.bz>

Tax Calculation and Refund Eligibility:

- Remember that entities that generate income in the category of Trade or Business are required to pay tax on **any amount** of revenue generated, however at the end of the year the entity can apply for a refund once their gross revenue is \$75,000 or less for the year.
- Likewise, if you have income in the category of a profession or vocation, you are required to pay tax on any amount of revenue generated, however at the end of the year the entity can apply for a refund once their gross revenue is \$25,000 or less for the year

Monthly Adjustments

- (i) You may also adjust your monthly tax payable if you had contract tax withheld from your contract payments.

Remember it is a serious offence to make a false return.

EIGHTH SCHEDULE

[Sections 105 (1) and (3)]

- 1. Accountants**
- 2. Architects**
- 3. Attorneys-at-Law**
- 4. Auctioneers**
- 5. Building Contractors**
- 6. Consultants**
- 7. Custom Brokers**
- 8. Dentists**
- 9. Engineers**
- 10. Insurance Brokers and Underwriters**
- 11. Mechanics**
- 12. Medical Practitioners**
- 13. Moneylenders**
- 14. Ophthalmologists**
- 15. Opticians**
- 16. Optometrists**
- 17. Shipping Agents**
- 18. Surveyors**
- 19. Tour Operators**
- 20. Travel Agents**
- 21. Veterinarians**

NINTH SCHEDULE

[Sections 111 (3) and 113 (2)]

RATES OF TAX

a) Receipts from radio, on-air television, and newspaper Business	0.75%
b) Receipts from domestic airline business	1.75%
c) Receipts of service stations from the sale of fuel	0.75%
(i) Receipts of service stations from the sale of lubricants and all other items	
(i) Receipts of service stations from the sale of lubricants and all other items	1.75%
d) Receipts from other trade or business	1.75%
e) Rents, royalties, premiums, or any other receipts from Real property (excluding the receipts from Real Estate Business)	3.0%
f) Receipts from profession, vocation, or occupation	6.0%
g) Receipts of an insurance company licensed under the Insurance Act	1.75%
h) Commissions, royalties, discounts, dividends, winnings from lotteries, Slot Machines and table games	15%
Provided that in the case of commissions of less than \$25,000 per annum, the rate shall be	5.0%
i) Interest on loans to non-residents	15%
j) Receipts of a Financial institution licensed under the Banks and Financial Institutions Act:	
➤ Foreign Exchange Earning Sector	12%
➤ Real Estate Building & Construction & Manufacturing	15%
➤ Other	16%
➤ Distribution	17%
➤ Personal Loans	18%
Provided that in the case of a financial institution which falls Within a "PIC Group" as defined in the International Business Companies Act, the rate shall be	12%
Provided further that in the case of a unit trust governed by the Bank and Financial Institutions (Unit Trusts) Regulations, the rate shall be	6%

k) Management Fees, rental of plant and equipment and charges for technical services	
(i) if paid to a non-resident	25%
(ii) if paid to person from CARICOM	15%
(iii) if paid to a resident, the rate applicable to the trade, business, profession, vocation or occupation of the payee.	15%
l) Receipts of entities licensed to provide telecommunication services that offer real time voice services.	19%
m) Gross earnings of Casinos or licensed gaming premises or premises where the number of gaming machines is more than 50	8%
n) Gross earnings from Real Estate Business as follows:	
(i) Real estate's brokers and agents, earning commissions	15%
(ii) Real estate sales, developers, condominium owners and fractional interests	1.75%
(iii) Long Term Leases	1.75%
(iv) Time Shares Operators	1.75%
(v) Share Transfer Sales	1.75%
o) Receipts of entities providing electricity supply services	1.75%
p) Receipts of building contractors:	
on first 40% of total contract price	6%
on the remaining 60% of the contract price	1.75%
q) Receipts of persons licensed by the International Financial Services Commissions of Belize to provide international financial services	3%
q 1) Provided that if there is a commingling of receipts from international financial services with those from domestic services the entire receipts shall be taxed at	6%

Email: info@bts.gov.bz
Website: www.bts.gov.bz