

## GUIDANCE NOTE

<b>Reference No.</b>	OGC: 04/2025
<b>Title</b>	Corporation Tax
<b>Subtitle</b>	Prepayment of Corporation Tax - Income 2025 onwards
<b>Purpose</b>	This guidance note serves to remind all relevant taxpayers of their legal obligation to make monthly prepayments of Corporation Tax. It is important to read this note in conjunction with the <i>Income Tax Act, Cap. 73</i> and the <i>Income Tax (Amendment) Act, 2024-15</i> .

### Introduction

#### Monthly Tax Prepayments for Income Year 2025

For Income Year 2025<sup>1</sup>, all companies will move to a monthly prepayment obligation. Please note that under the provisions of the Income Tax Act, the “Income Year” of a company is the year in which the fiscal period ends.

#### Companies not required to prepay on a monthly basis.

The monthly prepayment obligation will **NOT** apply to a company<sup>2</sup>:

- with a gross income of \$2,000,0000 or less; and
- which is registered as an approved small business under the Small Business Development Act, Cap. 318C.

#### Application of Monthly Pre-payment Obligation

The taxable income of a company for an Income Year shall be taken to be the taxable income for the Income Year before the preceding Income Year, as disclosed in its return filed in accordance with section 52 of the *Income Tax Act, Cap. 73*.

Therefore, for Income Year 2025, the prepayment shall be calculated based on the company’s taxable income for Income Year 2023. Where the return for Income Year 2023 is not available, the prepayment shall be calculated based on the company’s taxable income for Income Year 2022.

Monthly prepayments must be paid no later than the 15th day of each calendar month through the Global Relations Portal <https://globalrelations.bra.gov.bb> up to March 31, 2025 and thereafter through the Tax Administration Management Information System (“TAMIS”).

#### Calculation of prepayments

<sup>1</sup> per Section 64B.1 (3) as inserted by Section 9 of the Income Tax (Amendment and Validation) Act, 2024-15

<sup>2</sup> per Section 43(9)(a) of the Income Tax Act as inserted by Section 9 of the Income Tax (Amendment and Validation) Act, 2024-15

The prepayments are calculated based on the taxable income, for the Income Year before the preceding Income Year, net of tax credits, multiplied by the applicable corporation tax rate, divided by the number of applicable months. That is, monthly prepayments shall be determined according to the following formula:

$$\text{Prepayment} = \frac{(\text{Taxable Income of Year before Preceding Income Year} - \text{Tax Credits}) \times \text{Tax Rate}}{\text{Number of Applicable Months}}$$

Please note that the tax credits **DO NOT** include the Refundable Job Credit or the Research and Development Credit.

### **Monthly Prepayment Filing Requirement**

Companies subject to monthly prepayments shall complete the required Corporation Tax Prepayment Return online via the Global Relations Web Portal at <https://globalrelations.bra.gov.bb> up to March 31, 2025 and thereafter via the Authority's Tax Administration Management Information System ("TAMIS").

TAMIS shall be updated automatically to reflect your prepayments.

### **Prepayment Determinations**

Newly formed companies are required to enter an estimate of taxable income and thereafter make the appropriate prepayments.

Companies requesting a reduction in prepayments should do so by way of requesting a determination of instalments payable to the Authority. Adequate supporting documentation **MUST** be submitted for consideration.

### **How to Pay Pre-payments**

#### Online

The prepayment made via the Global Relations Web Portal can be paid online using debit or credit cards by accessing <https://globalrelations.bra.gov.bb>.

### By Wire Transfer

Prepayments can be paid in United States Dollars (USD), by way of wire transfer directly to the bank account listed below:

Name of Bank: Wells Fargo Bank, New York  
 Swift Code: PNBPUS3NNYC  
 ABA Code: 026005092  
 For credit to: FirstCaribbean International Bank (Barbados) Limited  
 Swift Code: FCIBBBBB  
 Beneficiary Name: Barbados Revenue Authority  
 Beneficiary Account #: 1001235129

Prepayments in Barbados currency, by way of wire transfer should be directly to the bank account listed below:

Name of Bank: Republic Bank (Barbados) Limited  
 Swift Code: BNBABBBB  
 Branch Code: 00002  
 Beneficiary Name: Barbados Revenue Authority  
 Beneficiary Address: 4<sup>th</sup> Floor, Weymouth Corporate Centre  
 Beneficiary Account #: 018323262002

### In-person or by cheque

Payments can be made at any of the Authority's offices or by cheque payable to the "Barbados Revenue Authority" accompanied by the completed and printed Monthly Prepayment Return, deposited in the drop boxes available at any of our locations.

Locations	Opening Hours
Bridgetown Street Mall, Bridge Street, Bridgetown	7:30 a.m. - 3:30 p.m.
Warrens Tower II, Warrens, St. Michael	8:15 a.m. - 3:30 p.m.
Holetown Public Centre, Holetown, St. James	7:30 a.m. - 3:30 p.m.
Southern Plaza, Oistins, Christ Church	8:15 a.m. - 3:30 p.m.
Pine East-West Boulevard	7:30 a.m. - 4:30 p.m.

When effecting payments by way of wire transfer, in-person or cheque, kindly quote the reference number provided at the timing of filing the Corporation Prepayment Return in the Global Relations Web Portal.

### Penalty for Nonpayment or Late payment

Failure to make pre-payments by the due date will result in a penalty of 10 per cent or \$10, whichever is greater, as well as interest at the rate of 0.5 per cent per month.

**January 2025**  
**Office of the General Counsel**  
**Barbados Revenue Authority**