

Guyana govt explains new tax measures

■ GEORGETOWN

SENIOR MINISTER in the Office of the President with Responsibility for Finance and the Public Service Dr Ashni K Singh says since presenting the Guy\$1.38 trillion (one Guyana dollar=US\$0.004 cents) national budget to Parliament last Friday, he has received 'several requests' seeking further explanation regarding the personal income tax measures.

In a statement, Singh said that prior to the Irfaan Ali government coming to office in 2020, there had been two rates of income tax, namely 28% and 40%, with the threshold being set at Guy\$60,000 monthly-or one-third of the salary, whichever was greater.

Singh said as a result, at that time, the first Guy\$60,000 or greater of the monthly salary would be taxed at 0%; the next Guy\$120,000 of the monthly salary (twice the amount of the threshold) would be taxed at 28%; the remainder of the monthly salary above that would be taxed at 40%. But in his statement, he said the government's intention is now to make adjustments in 2025 to the threshold and rates of personal income tax payable.

He said the threshold will be increased to Guy\$130,000 monthly, and the tax rates of 28% and 40% will be lowered to 25% and 35%, respectively.

Singh explained that as a result of these proposed changes, the first Guy\$130,000 of the monthly salary-or one-third of the salary, if greater-will be taxed at 0%. The next Guy\$130,000 will be taxed at 25%, and any remainder above that will be taxed at 35%.

'Additionally, of course, the allowance of Guy\$10,000 per child monthly, and the allowances of up to Guy\$50,000 monthly for overtime and up to Guy\$50,000 monthly for income earned from a second job, will also be taxed at 0%,' Singh said.

He said that the Estimates of Revenue and Expenditure for 2025 that were tabled already incorporate the above adjustments, even though this full elaboration was not provided in the budget speech.

'These changes will be reflected in proposed amendments to the Income Tax Act to give legal effect from year of income 2025,' Singh added.

-CMC