



BARBADOS REVENUE AUTHORITY

Sixth Floor, Treasury Building, Bridge Street, Bridgetown, Barbados, BB 11129
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GUIDANCE NOTE

PPG No. 001/2019

Value Added Tax Act Cap.87

Section 55A

Application for Rebate (VAT Refund) for First Time Home Owners

Background

Section 55A of the Value Added Tax Act Cap. 87 provides, that a person building or purchasing a dwelling house for the first time is eligible for a rebate of the VAT paid, when the house was constructed.

Conditions

The following conditions must be met to apply for the refund:

1. The rebate is applicable to those persons acquiring a dwelling house for the first time by either:
 - a) Building the dwelling house; or
 - b) Purchasing the dwelling house.

In either case the house must be newly constructed.

2. The following documents must be submitted:
 - a. A completed 'Application for Refund of VAT on Dwelling House' form obtainable from the Barbados Revenue Authority's Customer Service locations at Warrens Towers II, Weymouth Corporate Centre or Treasury Building.
 - b. A Certificate of Compliance issued by the Chief Town Planner.

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- c. A sworn affidavit stating that the applicant is a first time homeowner, the value of the house is less than or equal to BDS \$400 000 and the dwelling house is being used by the home owner as his residence. A draft of the affidavit is attached.
3. The application for the refund must be made within two (2) years of the date the house was completed or purchased.
4. The refund is calculated at 7 per cent of the value of the dwelling house up to BDS \$200 000. For example, the VAT refund on a house valued at BDS \$350,000 will be calculated as 7% of \$200,000 ($\$200,000 \times 7\% = \$14,000$).
5. A home owner who qualifies for the rebate is eligible to receive the rebate only once.
6. A person who has purchased a dwelling house built by an approved Developer is not eligible for the refund.
7. Dwelling houses built before August 26, 2010 are not eligible for the rebate.

BARBADOS

**AFFIDAVIT IN SUPPORT OF APPLICATION FOR A VALUE ADDED TAX
REBATE PURSUANT TO THE VALUE ADDED TAX (AMENDMENT) ACT,
2010**

I, Jane Brown, of #25 Sunflower Gardens, Crane, in the parish of Saint Philip, make oath and say as follows:

1. That I am a first time home owner.
2. That I built a house which was completed in the year *** /That I purchased a house in the year ****and resided there from*****
3. That my house is valued at *****, exclusive of land.
4. That I am currently residing in the said house, located at #25 Sunflower Garden, Crane, in the parish of Saint Philip, and further state that the said house is only used as a private residence.
5. That I have submitted in support of my affidavit a copy of the Land Tax Valuation from an approved valuer, and a copy of the Certificate of Compliance from the Town and Country Planning Department.
6. That I verily believe that I have complied with the relevant section of the Value Added Tax (Amendment) Act, 2010 and as such I am entitled to a rebate under the Value Added Tax (Amendment) Act, 2010.

Sworn to by the said)

JANE BROWN)

This day of 2011)

BEFORE ME

JUSTICE OF THE PEACE