

# VAGST—do you need to register?

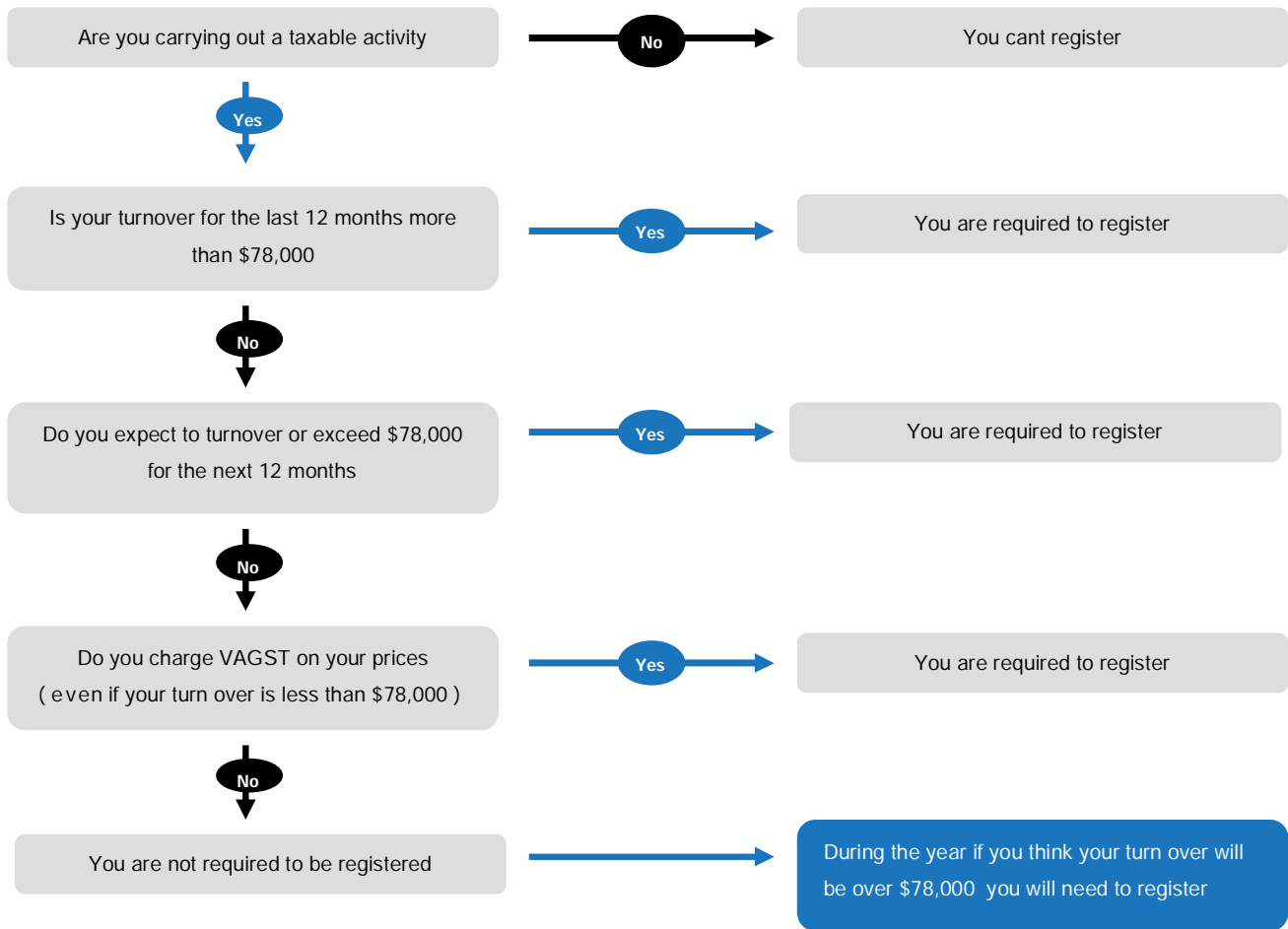
This factsheet helps you decide if you need to register for VAGST. If you decide to register you can complete a VAGST registration form available at Ministry for Revenue offices in Apia or Salelologa, Savaii, or our website [www.revenue.gov.ws](http://www.revenue.gov.ws) or call us on 20411

VAGST (Value added goods and services tax) is a tax on most goods and services supplied in Samoa by a registered business. It also applies to most imported goods and certain imported services. VAGST of 15% is added to the price of taxable goods and services.

If you are a VAGST registered business, then you pay VAGST on your supplies and collect VAGST on your sales. The difference between these two is what you pay to the Ministry for Revenue.

**STEP 1**

## Deciding to register



### What is a taxable activity?

Any activity carried out continuously or regularly by a business trade, manufacturer, professional person, association or club. It includes any activity that supplies or intends to supply goods and services to someone else for consideration ( money, compensation or reward ) but not necessarily for profit. It doesn't include: working for salary and wages, being a company director, hobbies or any private recreational pursuit, private transactions such as the sale of house hold or domestic items, making exempt supplies.

### How is turnover calculated?

The total value of taxable supplies in all your business activities, including plants and subsidies you receive or barter transactions, excluding any VAGST. This is not your profit as your expenses are not deducted when determining your turnover.

## STEP 2

# Choosing how to account for VAGST

## Accounting basis

The standard accounting basis used for VAGST is the **payment** basis. However upon written application from a registered person the Commissioner may approve the use of an **invoice** basis

### Payment basis

Is also referred to as cash basis. This means you include VAGST on amounts where payment has been made or received during the taxable period

### Invoice basis

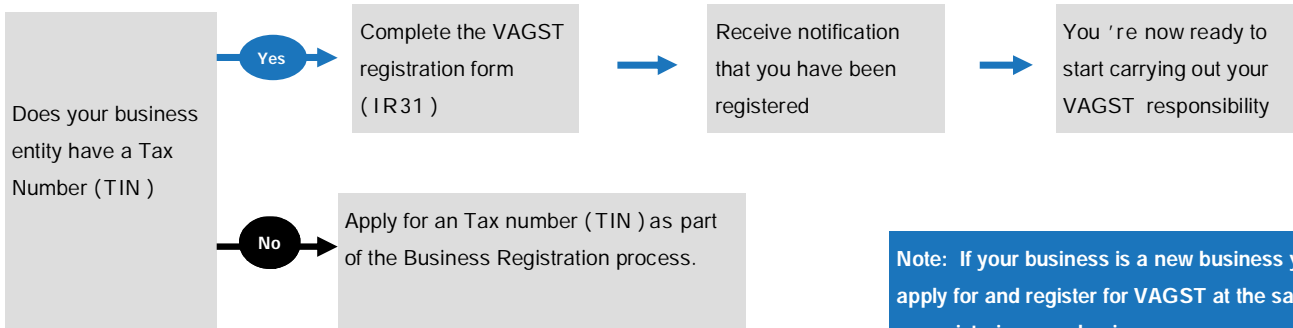
Is also referred to as accrual basis. You claim VAGST when you receive an invoice and you account for GST at the earlier of issuing an invoice or receiving payment

## Taxable period and filing frequency

A taxable period is how often you file your VAGST returns which is two monthly. You can file your returns on two category, A odd or B even months. Preparing your VAGST accounts every two months helps keep you up to date with your VAGST requirements

## STEP 3

# Registering for VAGST



**Note:** If your business is a new business you can apply for and register for VAGST at the same time as registering your business .

## STEP 4

# What happens next?

Once we have checked the details on your registration form we will notify you of your:

- Registration number which will be the same as your Business Licence Tax Identification Number (TIN) or Tax Number
- Date of registration
- Taxable period and the date your first return is due

Now you have registered you need to:

- Keep records
- Issue invoices for sales etc
- Pay any VAGST owing

## Voluntary Registration

If your turnover is less than \$78,000 and you don't charge VAGST in your prices you don't have to register or VAGST. However, you may wish to voluntarily register.

Things to consider:

- You can claim VAGST on purchases, including capital items.
- You can claim VAGST on business set-up costs.
- Completing regular returns helps keep your records up to date and accurate.
- You need to account for VAGST on all your taxable supplies

## Need more information or help?

Visit our offices in Apia or Salelologa, Savaii  
Phone: Apia : 20411, Salelologa : 51574  
[www.revenue.gov.ws](http://www.revenue.gov.ws)