

Discounted VAT Rate Day

Consumer Information Notes



INTRODUCTION

Consumers in St. Kitts & Nevis can purchase goods at a lower VAT rate. Friday August 28, 2026 and Saturday August 29, 2026 have been designated as the Discounted VAT Rate Days (DVRD). Participating businesses will be allowed to charge VAT at a rate of 5%.

Eligible Items

Tangible items that are presently subject to 17% VAT will qualify for the discounted VAT Rate on the DVR Day with the exception of those listed below.

Items eligible **MUST** also be available for sale and immediate issuance or delivery to the customer on the DVR Day. Orders for items not in stock **DO NOT** qualify.

Non-Eligible Items

- Professional services (Eg. Legal fees)
- Rent & Tickets for game of chance (Eg. Lottery/Raffles)
- Top-ups & Phone cards
- Guns, Ammunition & Cigarettes
- Alcoholic Beverages
- Vehicles

Goods and Services imported on the DVR day do not qualify for the reduced VAT rate.

Be Vigilant:

Consumers are advised to collect and review your receipt to ensure that the reduced VAT rate of 5% was charged if the Business was approved to participate in the DVR Day (see approved list on www.skniird.com). Any discount offered should be calculated on the VAT exclusive amount after which the VAT should be applied. If the business did not apply/was not approved to participate, then the VAT charged should remain at 17%. Feel free to contact the Department with any concerns you may have.

Are Items sold on Credit and Hire Purchase eligible for the reduced rate?

YES! Eligible goods sold under a credit or hire purchase agreement will qualify for the reduced rate of 5% if the sale is concluded on the DVR Day. Businesses are reminded that the VAT on the sales under credit terms must be reported in its entirety whether or not payment has been made in full during that tax period.

Rules governing returns and exchanges.

If a customer buys a good at the special 5% rate during the DVR Day and exchanges it on the same day for another good, the 5% rate will still apply. The special rate will NOT apply if the exchange is done after the DVR Days on Friday August 28, 2026 and Saturday August 29, 2026.

If a customer buys a good during the DVR Day and returns the item after the Day for a credit on the purchase of a different item, the 17% VAT Rate would apply to the sale of the newly purchased item, even if it would have been eligible for the 5% rate during the DVR Day.

If a customer buys an item before the DVR Day, but returns the item during the DVR Day and receives credit on the purchase of a different item, the reduced rate shall NOT apply on the sale of the new item.

Approved Businesses

The first list of businesses approved to participate in the Discounted VAT Rate Day initiative will be published on the Inland Revenue's website and social media pages on **August 17, 2026, at 4:00 p.m.** The list will be updated periodically as additional applications are reviewed and approved. The **final list of approved participating businesses** will be published on **August 27, 2026, at 4:00 p.m.**

Contact Information

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