

MINISTRY OF FINANCE

REFORM INITIATIVES

Ministry of Finance

- Finance and Audit Reform Act 2005.
- Establishment of the Public Finance Committee.
- Move to give autonomy to the Central Statistics Office.
- Regular publication of fiscal data.

Treasury Department

Revenue Centers

- First phase completed whereby Centers were identified. Presently Sub Treasuries are collecting revenue for most departments.
- Initiative geared toward centralization of revenue collection utilizing fewer resources and efficiently brings to account revenue collections.

Decentralization of Payables

- All payments under \$10,000 have been decentralized to Ministries.
- Treasury to audit activities of each ministry.
- Should result in improved service delivery between Ministry and Creditors.
- Forecast for cash flow is more manageable
- Where bank accounts provided payments are deposited directly to creditors accounts by the Treasury, eliminating the standing in line to collect payments

Smart Stream

- The System is in effect and the Treasury is now assuming some of the current functions executed by CITO.
- Department has acquired the technical support of a programmer, which will facilitate the preparation of financial statements
- The Department underwent some restructuring and through CARTAC some training was facilitated with Barbados. Four members of Staff have already undergone training and another 3 more Officers are expected to receive training in January 2006.

Online Banking

- The Treasury can now access its accounts with the commercial banks on-line; this will assist the department in better managing its cash flow.
- A feasibility study is currently being conducted to outsource the administration for the pension payables and administration of the savings bank.

Sales Tax Department

Online Banking Payments – Atlantic Bank

- In an attempt to improve customer service Government of Belize through the Sales Tax Department entered into an agreement with Atlantic Bank to collect Sales Tax on its behalf, full scale implementation began in November 2005 after a 3 month pilot project.
- Payments can be made online or at any Atlantic Bank Countrywide, Atlantic Bank will accept checks drawn on other local banks.
- Agents who utilize the online/bank payments are still required to file monthly returns by mail, email or drop-box at the bank.
- Agents, on request, are provided with an electronic version of the sales tax return available through www.atlabank.com
- Agent's payments are then imported through the bank directly to tax payers' account on SIGTAS.

Goods and Service Tax- GST

- The GST is a consumption tax imposed on the final consumer, paid entirely by the final consumer, but collected in bits and pieces along the way to the final consumer.
- The intention is to set one rate with minimum exemptions to broaden the tax base and facilitate compliance by taxpayer and control the tax administration.
- The threshold should be established at a level that will not sacrifice too much revenue but would result in a reduced number of taxpayers to be registered.
- GST burden falls on the final selling price paid by consumer and should not impact on costs of production thereby eliminating elements of cascading.
- Traders/Agents need to keep proper records of purchases and sales critical under the GST.
- Record show current compliance rate for Sales Tax at 85% of registered Agents.
- The GST was introduced into the National Assembly in November 2005 and is expected to take effect in April 2006.

Income Tax Initiatives

Training

The Department facilitated the training of several of its staff members in tax administration, GST training of trainers and monetary matters facilitated by the Central Bank of Belize.

IT Innovations

The Department with the assistance of Central Information Technology Office (CITO) in Belmopan produced a TD\$ filler software that users can install on their computer system to prepare income tax TD4 supplementary forms reducing the demand for pre-printed forms.

The Department is also looking to launch its own web site in 2006 which should facilitate taxpayers with news updates, copies of forms and allowance for enquires etc.

Bank Payments

The Department is in its final stages of arrangements leading to direct payments by taxpayers of taxes directly to Atlantic Bank and its branches countrywide.

Community Outreach

The Staff of the Department will be hosting its 5th Annual Christmas party for the underprivileged children of the Mahogany Street Complex and other economically deprived areas of South side Belize on Friday 16th December.

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