



Tax Operations Policy No. 16 – Exemption from Withholding Tax: Provisions for the Elderly and Incapacitated Individuals Regarding Income Tax Obligations

Pursuant to amendments under the recent Fiscal Enactment (Amendment) Act 2024, Act No. 2 of 2024, Section 8 of the Income Tax Act Chapter 81:01 has been revised to increase the statutory deduction from one million and twenty thousand dollars (\$1,020,000) to one million, two hundred thousand dollars (\$1,200,000).

The revised provision of Section 8(1) of the Income Tax Act, Chapter 81:01 articulates: “Notwithstanding the provisions of section 39(1)(c), (d) and (e) any person referred to in subsection (3) whose income from all sources does not exceed one million, two hundred thousand dollars per annum shall be exempt from taxation on interest earned on savings accounts.”

Further, Section 8(4) elaborates: “Where the income of a person from all sources exceeds one million, two hundred thousand dollars per annum then notwithstanding section 39(6)(b) that person shall at his option be subject to income tax on his income from all sources including interest greater than ten thousand dollars on savings accounts in which case, withholding tax deducted under section 39(1)(c), (d) and (e) shall be granted as a set-off against the tax assessed.”

Consequently, residents who have attained the age of sixty (60) years or who are incapacitated due to illness or infirmity shall be entitled to a twenty percent (20%) Withholding Tax exemption on interest earned from savings, provided their total annual income does not exceed one million, two hundred thousand dollars (\$1,200,000). These individuals are required to file an income return on or before April 30th of the assessment year, declaring their income from all sources to facilitate the refund of any withholding taxes levied on savings account interest.

In keeping with Section 60(1) (a) of the Income Tax Act, Chapter 81:01 and Regulation No. 5 of the Income Tax (General) (Amendment) Regulations 1991 made under Section 117 which provides that any person whose annual income exceeds one million, two hundred thousand dollars (\$1,200,000) is obligated to file an income tax return by April 30th of the assessment year. Adhering to these income tax regulations, elderly or incapacitated persons with incomes exceeding, the stipulated amount must submit their returns by the designated date, disclosing all sources of income. These individuals may opt to include interest surpassing ten thousand dollars (\$10,000) on their savings accounts, thereby facilitating the setting-off of withholding taxes against assessed income taxes.

In compliance with Section 8 of the Income Tax Act, Chapter 81:01, elderly and incapacitated individuals are not mandated to obtain an exemption letter from the Guyana Revenue Authority if the interest earned on their savings accounts is below ten thousand dollars (\$10,000).

For Queries – TAX ADVISORY AND PUBLICATION UNIT (TAPU), E-MAIL: taxadvisory@gra.gov.gy
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Guyana Revenue Authority
Communication and Tax Advisory Services Division- Tax Advisory and Publication Unit
Princes and Smyth Streets, G/town.
Website: www.gra.gov.gy

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Persons who wish to benefit from withholding tax exemption for interest exceeding ten thousand dollars (\$10,000) on savings accounts are required to visit any Guyana Revenue Authority location, providing their original updated bank books or statements for the preceding year along with identification documents (ID card or passport) linked to the bank account. Alternatively, these documents can be scanned and emailed to compliance@gra.gov.gy for processing, although the original documents must later be submitted to the Guyana Revenue Authority for verification and to obtain the exemption letter.

Please be advised that this measure took effect on February 6, 2024.

Revised June 26, 2024.

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