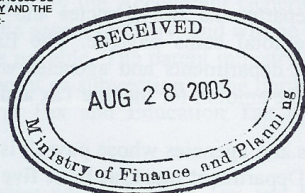




ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE  
ADDRESSED TO THE FINANCIAL SECRETARY AND THE  
FOLLOWING REFERENCE NUMBER QUOTED:-

Telephone No. 02-28000-15



MINISTRY OF FINANCE AND PLANNING  
30 NATIONAL HEROES CIRCLE  
P.O. BOX 512  
KINGSTON  
JAMAICA

August 26, 2003

**CIRCULAR NO. 19**

**FILE NO. 107/022**

**DIVISION: PUBLIC EXPENDITURE POLICY CO-ORDINATION**

**Permanent Secretaries  
Heads of Departments**

**Payment of Income Tax and Education Tax**

The attention of Permanent Secretaries and Heads of Departments and Agencies is invited to Circular No. 9 dated June 2, 1998 which amended FAA Act Instruction 5.34. The Circular required that payments of statutory and other authorised deductions from salary be made to the organisations or credited to the appropriate Government accounts within **seven (7) days** of the effective date of deduction or earlier as per requirements of the statute under which the deductions are effected.

Despite this Instruction some ministries, departments and agencies continue to be tardy in the payment of statutory and authorised deductions causing:

- (a) shortfalls in the Consolidated Fund revenue projections, thereby affecting the overall public sector cash management;
- (b) a build up of arrears in the payment of these deductions, which in most cases ultimately affects the public sector fiscal budget.

Arising from the above, the following measures for the payment of deductions will be put in place with effect from August 1, 2003.

**1. Payment of Income Tax and Education Tax – Ministries, Departments. & Executive Agencies**

- 1.1 The Accountant General will be responsible for payment on behalf of the ministries, departments and agencies shown in the Appendix 1, Income Tax and Education Tax in respect of their **monthly paid staff only**.
- 1.2 The payment by the Accountant General will be made using the warrant funds of ministries, departments and agencies and will be based upon advice received of the total sums payable. The Expenditure Clearing Accounts of ministries, departments and agencies will be credited with warrant releases net of the amount for Income Tax and Education Tax.
- 1.3 Ministries, departments and agencies whose payroll is not prepared by the Accountant General's Department must, **at least five (5) days** before the official pay day for monthly paid staff, fax or e-mail the form at Appendix 2, to the Accountant General's Department and the Public Expenditure Division of the Ministry of Finance and Planning indicating the total Income Tax and Education Tax payable as well as any adjustments to be made to the sums actually paid in the prior month in respect of these deductions.
- 1.4 The Accountant General will not credit the Expenditure Clearing Accounts of ministries, departments and agencies with warrant funds to meet their monthly wage bill unless the advice regarding the total Income Tax and Education Tax is received.
- 1.5 A copy of the advice submitted to the Accountant General must be sent to the accountant responsible for the final accounts of the ministry, department or agency and must be used to prepare the following journal entry:

**Cash Accounting Entities**

FMIS Event # 0105

Expenditure Control Account	Debit	
Warrant Account		Credit

**Accrual Accounting Entities**

Expense Account –Wages & Salaries	Debit	
Income from Consolidated Fund		Credit

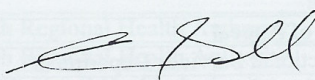
- 1.6 Ministries, departments and agencies will continue to be responsible for the submission of their statutory annual returns and for the reconciliation of balances and amounts payable with the Commissioner of Inland Revenue and other agencies.



## **2. Payment of Income Tax and Education Tax - Public Bodies**

- 2.1 The Accountant General will pay the Income Tax and Education Tax of public bodies that are substantially financed from the Budget by way of monthly grants or subvention from a ministry.
- 2.2 The payment by the Accountant General will be made using the warrant funds of the parent ministry, and will be based upon advice received of the total sums payable. The parent ministry will be required to pay the public body its grant or subvention in the normal manner net of the amount paid for Income Tax and Education Tax by the Accountant General on its behalf.
- 2.3 Public bodies whose Income Tax and Education Tax are required to be paid by the Accountant General based on 2.1 above, must, **at least seven (7) days before** the official pay day for their monthly paid staff, fax or e-mail the form at Appendix 2 to their parent ministries for submission to the Accountant General's Department indicating the total Income Tax and Education Tax payable as well as any adjustments to be made to the sums actually paid in the prior month in respect of these taxes.
- 2.4 Public bodies will continue to be responsible for the submission of their statutory annual returns and for the reconciliation of balances and amounts payable with the Commissioner of Inland revenue and other agencies.

Permanent Secretaries and Heads of Departments and Agencies are asked to ensure that this circular is brought to the attention of all relevant persons.



Financial Secretary

**APPENDIX 1**

**LIST OF MINISTRIES AND DEPARTMENTS FOR WHICH ACCOUNTANT  
GENERAL IS RESPONSIBLE FOR PAYMENT OF INCOME TAX AND  
EDUCATION TAX**

<b>Head No.</b>	<b>Ministry/Department</b>
0100	Governor General
0200	Parliament
0300	Office of the Public Defender
0400	Contractor General
0500	Auditor General
0600	Services Commissions
<b>1500</b>	<b>Office of the Prime Minister</b>
1510	Jamaica Information Service
<b>1600</b>	<b>Office of the Cabinet</b>
1649	Management Institute for National Development
<b>1700</b>	<b>Industry and Tourism</b>
<b>2000</b>	<b>Finance &amp; Planning</b>
2011	Accountant General
2012	Jamaica Customs
2015	Inland Revenue
2041	Taxpayer Audit & Assessment
2042	Taxpayer Appeals Department
2044	Tax Administration Services
<b>2600</b>	<b>National Security</b>
2622	Police Department
2800	Justice
2823	Court of Appeal
2824	Correctional Services Department
2825	Dir. of Public Prosecution
2826	Family Courts
2827	Resident Magistrates' Courts
2828	Revenue Court
2829	Supreme Court
2830	Administrator General
2831	Attorney General
2832	Trustee in Bankruptcy
2833	Parliamentary Counsel
<b>3000</b>	<b>Foreign Affairs &amp; Foreign Trade</b>
<b>4000</b>	<b>Labour &amp; Welfare</b>
<b>4100</b>	<b>Education, Youth &amp; Culture</b>



Head No.	Ministry/Department
<b>4200</b>	<b>Health</b>
4220	Registrar General's Dept.
4234	Bellevue Hospital
4235	Government Chemist
<b>5100</b>	<b>Agriculture</b>
5146	Forestry
<b>5200</b>	<b>Commerce, Science &amp; Technology</b>
5238	Registrar of Companies
5239	Post & Telecommunications
<b>5800</b>	<b>Land &amp; Environment</b>
5847	National Land Agency
5848	National Environment Planning Agency
<b>6300</b>	<b>Water &amp; Housing</b>
<b>6500</b>	<b>Transport &amp; Works</b>
6550	National Works Agency
<b>7200</b>	<b>Local Government &amp; Community Development</b>

**LIST OF MINISTRIES AND DEPARTMENTS FOR WHICH ACCOUNTANT  
GENERAL IS RESPONSIBLE FOR PAYMENT OF INCOME TAX AND  
EDUCATION TAX**

(N.B. List not Yet Completed)

Head No.	Ministry/Department
	South East Health Regional Health Authority
	North East Health Regional Health Authority
	Southern Health Regional Health Authority
	Western Health Regional Health Authority
	Jamaica Fire Service
	RADA
	PIOJ

APPENDIX 2

**INCOME TAX AND EDUCATION TAX PAYABLE**

Ministry/Department/Agency \_\_\_\_\_

Month \_\_\_\_\_

	INCOME TAX (PAYE)	EDUCATION TAX	TOTAL
Current Month's Amount			
Adjustment re Prior Month			
Total Payable			

Principal Finance Officer \_\_\_\_\_

Date \_\_\_\_\_

Financial Controller (i/c Payroll) \_\_\_\_\_

Date \_\_\_\_\_