

## Health Tax part VI Aruba: Invoice issues (addition)



The special-purpose tax on General Health Insurance became effective on December 1, 2014. Following up on the previously issued newsflash Health Tax, Part V, more has now become clear about the proper invoice presentation. The Departamento di Impuesto has informed Deloitte about its intention to publish an addition to the policy published earlier on soon. The Departamento di Impuesto is aware of the unrest among entrepreneurs about the concurrence of the Health Tax and the BBO. We would like to inform you as follows.

### Definitions

The special-purpose tax on General Health Insurance is also referred to as the "Health Tax",

"special-purpose tax AZV" or "BAZV". We use "BAZV" in this newsflash.

### The invoice

On January 22, 2015, the Departamento di Impuesto advised to use prices, including BBO and BAZV. This should avoid both incorrect payments (the amount on the invoice is the amount actually paid by the entrepreneur to the Departamento di Impuesto) and upset customers, and should ensure the legislative requirements are met without any arithmetic difficulties.

## Implementation policy published earlier

Further to the implementation policy published earlier, the **invoice** would be as follows:

*Invoice:*

Payment goods/service:	AWG 1,000
BBO (1.5%):	AWG 15
BAZV (1%):	AWG 10
Total:	AWG 1,025

Following up on the implementation policy of the Departamento di Impuesto published earlier, **payment** of the BAZV and BBO is calculated on the full payment received, if both the BAZV and BBO are stated on the invoice:

*Payment:*

Payment goods/service:	AWG 1,025
Payable BBO (1.5%):	AWG 15.37
Payable BAZV (1%):	AWG 10.25

The earlier implementation policy led to the BBO/BAZV charged being different from the BBO/BAZV payable.

## Implementation difficulties

The Departamento di Impuesto identified a number of practical difficulties, such as:

- incorrect payments due to the incorrect tax base being used (price excl. BBO/BAZV);
- incorrect invoices and payment receipts due to the incorrect tax base being used (usually incorrect BAZV amount);
- upset customers because the price in the shop fails to correspond with the price at the cash register.

The Departamento di Impuesto now recommends the use of prices including BBO and BAZV as the easiest solution. This should solve the three before-mentioned difficulties.

They have declared a proper invoice to be as follows:

Payment (incl. BBO and BAZV)	AWG 1,000
BAZV (1%)	AWG 10
Total	AWG 1,000

The addition "incl. BBO and BAZV" is optional, for that matter - it is not mandatory.

*Alternative:*

Payment (incl. BBO and BAZV)	AWG 1,000
BAZV (1%)	AWG 10
BBO (1.5%)	AWG 15
Total	AWG 1,000

## Finally

Please note that the manner how the tax payable to the Departamento di Impuesto is calculated as described in the previously issued Tax Flash V, is correct.

If the above calculation method is followed for the tax payable, no turnover corrections should in principle take place by the Departamento di Impuesto.

*Tip: Contact our office for tailored advice about your specific situation.*

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