

Notification guide

First: Procedures:

Notification is made for the purposes of the General Sales Tax Law based on Article (48) thereof and is done according to one of the following procedures:

First procedure:

- Mechanism: The notification is delivered to the taxpayer himself or to the person authorized by him.
- Date a person is considered a reporter: A person is considered a reporter according to this procedure as soon as he receives the notification

Second procedure:

- Mechanism: Sending a notification by registered mail to the address registered with the department.
- Date the person is considered a reporter: The person is considered a reporter according to this procedure
 - If the address is inside the Kingdom, the notification is considered legal after ten days have passed since it was sent by mail

the recorder.

- - If the address is outside the country, it is considered a notification thirty days after it was sent by mail

Registrar or through the authorized licensed company

Third procedure:

- Mechanism: If it is not possible to notify in accordance with any of the above procedures, the notification shall be published for a period of at least two days in

Two local newspapers, two daily newspapers, and publication is legal notification in all respects.

- Date a person is considered a reporter: A person is considered a reporter on the date of publication in the daily newspaper for the second time.

The auditor or the objection committee may, at the request of the taxpayer based on justifiable reasons, not consider the publication

What is mentioned in Clause (1) of this paragraph is tantamount to notification, and in this case a new date shall apply as of

The date on which the taxpayer was notified of the decision of the auditor or the authority to accept the application

Second: Claim Conclusiveness:

The claim shall be deemed final after thirty days have elapsed from the date on which it was deemed notified

Third: Collection:

If the claim becomes final, the claim shall be notified to the registrant and non-registrant in accordance with one of the above procedures

If the amounts are not paid within thirty days of notification, the manager has the right to proceed with the procedures for collecting these amounts according to the provisions of the law on the collection of public (public) funds without the need to take any of the notification and publication procedures Provided for in Articles (6 and 7) of the Law on the Collection of Emiri (Public) Funds.

general questions

What is sales tax?

In the interest of the department that the articles of the sales tax law and the instructions and regulations issued pursuant thereto are understandable and clear, and that the procedures for dealing with them are easy and convenient, it provides you with this general guide that shows everything you need to know in order to be able to carry out your national duty in the performance of the general sales tax and to be your legal obligation sound and accurate.

General Concepts and Provisions It is the tax imposed under Law No. 6 of 1994 and its amendments on local and imported goods and services. It is collected from the consumer indirectly in the form of an increase in the price of the commodity or service by the amount of the tax imposed. The

person in charge collects it from the purchaser and supplies it to the Department within specific dates.

Who is charged with paying the tax?

He is the person who is required to pay or collect the tax upon sale and supply it to the department according to the provisions of the law when he fulfills the assignment conditions, which are importing a subjected good or service, reaching the prescribed registration limit, or doing the registration voluntarily, provided that the sale is for commercial purposes and that the activity itself is subject to tax. The tax is due upon import on all taxable goods and services, whether the importer is registered or not, even if the import is for personal use, except to the extent exempted under the Customs Law.

Who is the registrant?

The registrant is the person who has been registered with the department in accordance with the provisions of the law for the purposes of collecting the tax on his sales and supplying them to the department.

What is the definition of service in the General Sales Tax Law?

A service is every action that a person performs in return for a consideration (including the provision of a benefit to others) and does not include the supply of goods. In the event that the activity is a commodity and a service at the same time, the manager has the right to determine whether the activity as a whole is considered a sale of a commodity or a sale of a service.

Who is the service supplier?

A person, who undertakes, performs or imports a taxable service.

What is the general tax and what is the special tax?

The general tax is a tax that is collected on most of the buying, selling and importing operations that take place within the country, the Hashemite Kingdom of Jordan .

The special tax is that levied on the sale or import of specific excise goods listed in Table No. (1) attached to the law.

Most commercial operations involve the sale of goods or the provision of services and are subject to general tax in both of the following cases:

When a registered person sells a good and/or service subject to general tax. When - importing a good and/or service subject to general tax from outside the Kingdom or from free zones or the special economic zone.

As for the special tax, it is collected for one time only, either upon import or when selling locally. All sales that take place within the Kingdom are considered subject to tax unless they are exempt from tax. A taxable person (taxpayer) is any natural or legal person who practices a taxable business and has registered or is required to register with the tax department. A person who practices a taxable business and whose sales have reached the registration limit must compulsorily register with the tax department (see the registration guide).

What are taxable sales?

If you carry out a business and sell goods (you supply a good) or perform work for another person and receive a price for it (provide a service), your business is likely to be subject to tax. It is possible that any activity you undertake within the framework of your business is subject to tax, not just those things. This means that every sale of any goods or services not listed in Table No. (3) attached to the law is subject to tax.

What are the sales tax rates?

The sales tax is mainly divided into two types: the general tax, which is the general rate of 16% imposed on the value of sales of goods and services subject to this rate, and a tax of 4% imposed on a group of goods specified by a decision issued by the Council of Ministers, and the tax at a zero rate is imposed on the goods specified in Table No. (2). (attached to the law. And the special tax, which may be relative or specific, or both, on some goods and services specified in Table No. (1) attached to the law, with the exception of cigarettes, tobacco, alcoholic beverages, liqueurs, and beer, including non-alcoholic beer, which are subject to the special tax in addition to the general tax at a rate of (13). (%). The Council of Ministers may make transfers between the schedules and subject some of the goods included in them to a certain percentage.

What are exempted sales? In addition to taxable sales, there are other sales that the General Sales Tax Law defines as exempt. It is important to know whether you have tax-exempt sales, as this affects the amount of tax that you may deduct or recover on things that are purchased or imported for business purposes. (For exempted sales, see Schedule of Exempt Goods and Services No. (3) in the General Sales Tax Law). Exemption may also be by a special decision, and thus the good or service becomes exempt according to a decision issued by the Department or the Council of Ministers for this purpose.

What are sales subject to a zero rate?

Goods and services exported outside the Kingdom are subject to the zero rate, and goods and services that are subject to tax are subject to the same rate when sold to exempted entities according to the provisions and instructions stipulated in the General Sales Tax Law, including the entities mentioned in the text of Article (21) of the law, as well as sales of goods listed in Table No. (2 (Appendix to the law.) For details of sales subject to the zero-rate, refer to Articles (6, 7, 21, 22) and Table No. (2) of the General Sales Tax Law.

What is the difference between exempted sales and zero-rated sales?

When you sell zero-rated or exempted goods or services, you do not collect tax on those sales. However, if you sell exempted goods or services, you will not be able to deduct or recover the tax that you previously paid on the inputs of the exempted good or service. If you sell goods or services subject to the zero rate, you are authorized to deduct or recover the input tax related to it. Noting that exempt sales are sales of goods and services exempted under the provisions of the law or by a special decision, or sold to an exempted entity.

What is the tax on output?

It is the tax that you collect from the buyer if you are an assigned and registered person and sell subject goods and services. When you are registered (even if your registration is voluntary), the tax is due on all of your subject sales. This tax collected or achieved is called the tax on outputs.

What is input tax?

Most of the goods and services that you buy locally or import are subject to the general sales tax. If you are registered with the general sales tax, you will be able to deduct or recover the tax paid on your purchases or imports involved in your business. This tax is called the input tax.

This tax does not only include sales tax paid on your purchases of raw materials or on goods purchased for resale, but also includes sales tax paid on things such as:

1. Office equipment used at work. -
2. Commercial means of transportation used to transport business goods, with the exception of saloon cars, according to the Traffic Law.
3. Work-related services. -
4. Any tax paid on inputs related to your business, except for those excluded from deduction under Table No. (4) Attached to the law.
5. Industrial machinery and equipment and their spare parts (these items are for example but not limited to).

Input tax does not include sales tax paid on goods and services related to someone else's business or tax paid on purchases or imports for special purposes such as your home furnishings. The sales tax paid in such cases is not a tax on your inputs.

Can I claim a deduction or refund of the tax on my inputs?

When you spend money and pay sales tax you have to ask yourself, is this spending entirely within your business? If it is, then it is likely that the tax is deductible and you can deduct or refund the tax on your entries in full.

There are purchases on which you cannot claim a deduction of the paid tax (to learn more about tax deductions and refunds, see Articles (19) and (20) of the General Sales Tax Law).

What if I have exempted sales?

If you have exempted sales in addition to the subject sales, you can claim a deduction or refund of the input tax you paid on the part that relates to your subject sales only. (See the guide to filling out the tax return).